



**EI MICROCIRCUITS**

#### PURCHASE ORDER TERMS AND CONDITIONS

This purchase order is not binding upon the Buyer and no payment will be made hereunder until the acknowledgement copy is duly signed and is returned to EI Microcircuits or if Seller provides confirmation by e-mail. If the Seller ships product prior to sending confirmation, the Seller agrees that this contract shall constitute the whole contract between the parties. If Seller shall, for its own convenience, in addition to such acceptance desire its own form of acknowledgement and provisions thereof which would otherwise modify, conflict with or contradict the provisions of this order, such provisions shall be deemed to be waived and the provisions of this order, upon such acceptance, shall constitute the whole contract between the parties.

1. ACCEPTANCE: Acceptance of this order is clearly limited to those terms and conditions shown on this purchase order, any others are rejected except for those explicitly accepted by EI Microcircuits in writing.

2. DELIVERY, PRICE, AND ADVANCE COMMITMENTS: Seller shall place all orders for the scheduled deliveries of materials and parts necessary for its performance under this order at such times as will enable Seller to meet, the schedule of deliveries set forth herein. Buyer shall not be liable for any changes to costs arising out of commitments by Seller for the acquisition of said materials and parts, or

for work performed unless Buyer has given its prior written consent to such advance commitments of work. Items received more than 15 days before schedule may at EI MICROCIRCUITS option, be returned at Seller's expense, or be accepted and payment be based upon schedule delivery dates.

3. PAYMENT: Invoices shall be submitted to EI Microcircuits Accounts Payable after items are shipped.

The time for payment of Seller's invoices shall commence with date of actual receipt of items in complete

accordance with the requirements of this order. Any adjustments in Seller's invoices due to shortage, late

delivery, rejection or other failures to comply with the requirements of this order may be made by Buyer before payment.

4. WARRANTY AND INSPECTION: Seller expressly warrants that at the time of delivery thereof all items delivered hereunder will be in conformity with the applicable specifications, drawings and samples,

that they will be free from defects, including latent defects, which warranty shall survive inspection, delivery, and payment (In material and workmanship and they will be fit for their intended use.) Said warranties, however, shall not be deemed to limit any warranties of additional scope given to Buyer by Seller. Unless otherwise specified all items will be subject to final inspection and acceptance at Buyer's plant. Buyer may, at its option, either hold rejected items for Seller's instructions and at Seller's risk, or return them to Seller at Seller's expense and Seller shall promptly reimburse Buyer for any and all damages sustained by Buyer as a result of Seller's breach of warranty. No replacement of rejected items shall be made unless otherwise specified on Buyer's returned material order. Inspection and tests may be

made by EI MICROCIRCUITS (or the Government when articles are being procured for Government contract) at any time before, during, or after manufacture. All goods not fully complying with specifications or with commercial tolerances in the absence of other specifications will be subjects to return for credit or replacement at our option.

5. CHANGES: Buyer reserves the right, by written notice issued hereunder to make changes in quantities, in drawings and specifications, in delivery schedules, and in methods of shipment and packaging. If such changes cause an increase or decrease in price or in the time required for performance,

Seller shall immediately notify Buyer thereof, and an equitable adjustment shall be made. Changes shall not be binding upon Buyer unless evidenced by a purchase order change notice issued and signed by Buyer.

6. TERMINATION: (A) EIMICROCIRCUITS may terminate, for its convenience, work under this order, in whole or in part, at any time by written notice. Upon any such termination Seller shall, to the extent and at the times specified by EI MICROCIRCUITS, stop all work on this order, place no further orders hereunder, terminate work under orders outstanding hereunder, assign to EI MICROCIRCUITS all Seller's interest under terminated subcontracts and orders, settle all claims thereunder after obtaining EI

MICROCIRCUITS approval, protect all property in which EI MICROCITCUITS has or may acquire an interest, and transfer title and make delivery to EI MICROCIRCUITS all articles, materials, work in process, or other things held or acquired by Seller in connection with terminated portion of this order. Seller shall proceed promptly with EI MICROCIRCUITS' direction respecting each of the foregoing without awaiting settlement of payment of its termination claim. (B) Within six months from such termination Seller may submit to EI MICROCIRCUITS its written claim for termination charges, in the form and with the certification prescribed by EI MICROCIRCUITS. Failure to submit each claim within such time shall constitute a waiver of all claims and a release of all EI MICROCIRCUITS liability arising

out of such termination. (C)The parties may agree upon the amount to be paid Seller for such termination.

If they fail to agree EI MICROCIRCUITS shall pay Seller the amount due for articles delivered prior to termination and in addition thereto, but without duplication, shall pay the following amounts: (1) The contract price for all articles completed in accordance with this order and not previously paid for. (2) (a) The actual costs incurred by the Seller which are properly allocable or apportionable under recognized commercial accounting practices to the terminated portion of this order, including the cost of discharging liabilities which are so allocable or apportionable, and (b) a sum equal to 2% of the part of such costs representing the costs of articles of materials not processed by the Seller, plus a sum equal to 8% of the remainder of such costs shall exclude any charge for interest on borrowings and shall exclude the cost of discharging liabilities for parts, materials, and services not received by the Seller before the effective date of termination. If it appears Seller would have sustained a loss on the order, no profit shall be allowed under subdivision (b) and an adjustment shall be made reducing the amount of the settlement to reflect the indicated rate of loss. (3) The reasonable costs of the Seller in making settlement hereunder and in protecting property in which EI MICROCIRCUITS has or may acquire an interest.

7. IDEMNIFICATION: Seller agrees to protect, defend, hold harmless and indemnify EI Microcircuits and its' customers from and against any and all liability and expense arising out of the alleged infringement, because of a purchase, sale or use of the article herein mentioned, or any patent, trademark or copyright or claim, therefore or because of any injury to person or property resulting to any EI Microcircuits customer or to any person whatsoever from the good herein purchased.

8. PROPREITARY INFORMATION-CONFIDENTIALITY: Sell shall consider all information

furnished by Purchaser to be confidential and shall not disclose any such information to any other person,

or use such information itself for any purpose other than performing this contract, unless Seller obtains written permission from Purchaser to do so. This paragraph shall apply to drawings, specifications, or other documents prepared by Seller for Purchaser in connection with this order. Seller shall not advertise

or publish the fact that Purchaser has contracted to purchase goods from Seller, nor shall any information

relating to the order be disclosed without Purchaser's written permission. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by

Seller to Purchaser shall be deemed secret or confidential and Seller shall have no rights against Purchaser

with respect thereto except such rights as may exist under patent laws.

9. COMPLIANCE WITH LAWS: Seller agrees that all goods shipped to the Purchaser under this agreement will be produced in full compliance with all applicable laws including, but not limited to, the Fair Labor Standards Act. Seller further agrees that it shall not engage in the employment of child, forced,

indentured, involuntary, prison or uncompensated labor. Purchaser may, upon notice, inspect Seller's plant and facilities at reasonable times to determine compliance with the provisions set forth herein. In addition to any other remedies contained herein, Purchaser shall have the right to immediately terminate

this agreement and any other agreements with Seller if it determines that Purchaser is in violation of this

section.

10. SHIPMENTS AND PACKAGING: Each container, and accompanying packing list, must show its

order number. No charge will be allowed for packing, boxing, or cartage unless fully and separately itemized on the face hereof. All items shall be suitably prepared for shipment to secure the lowest transportation and insurance rates, and to meet carrier's requirements. All shipments to be packaged in strict conformity with Rule 41 Consolidated Freight Classification and all ICC Regulations except where otherwise provided in Government Directives. Dangerous or explosive material must be packaged and labeled to conform to ICC Regulations. Insure shipments for minimum value only.

11. TAXES: The price herein stated excludes all Federal taxes imposed on items furnished hereunder and Seller shall set forth all applicable taxes as separate items on invoices to be paid by EI MICROCIRCUITS unless Buyer shall furnish Seller with tax exemption certificates.

12. TITLE AND RISK OF LOSS: Unless otherwise specified in the Order, risk of loss of the Goods remains with Seller and title will not pass to Buyer until the Goods are delivered to the accepted by Buyer at the Delivery Location.

13. FORCE MAJEURE: Neither party shall be liable to the other for any delay or failure in performing its obligations under the Order to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party ("Force Majeure Event"). Force Majeure Events could include, but not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, terrorist acts, riots, strike, or embargoes. Seller's economic hardship or changes in market conditions are not considered Force

Majeure Events. Seller shall use all diligent efforts to end the failure or delay of its performance under the

Order. If a Force Majeure Event prevents Seller from performance for a continuous period of more than fifteen (15) business days, Buyer may terminate this Order immediately by giving written notice to Seller.

14. PRICE WARRANTY: Seller warrants that the prices for the goods sold to Purchaser hereunder are not less favorable than those currently extended to any other customer for the same or similar goods during the term of this order; Seller agrees to reduce the prices hereof correspondingly. Seller warrants that prices shown on this purchase order shall be complete, and no additional charges of any type shall be added without Purchaser's express written consent. Such additional charges include, but are not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, crating.

15. INVOICING: Send invoices and duplicate bill of lading after shipment.

16. DESIGN TOOLS, ETC: Any design, pattern, tool, die, jig, fixture, drawing, or test equipment hereto or hereafter furnished by EI MICROCIRCUITS in connection with this order shall remain EI MICROCIRCUITS' property to be delivered to EI MICROCIRCUITS upon request, and shall not be

used in the manufacture of any article for anyone other than EI MICROCIRCUITS. Tools, dies, jigs, fixtures and test equipment, the cost of which has been included in computing the price specified on the face hereof and for which EI MICROCIRCUITS is to pay Seller as a separate item as indicated on the face hereof, shall, upon such payment, become the property of EI MICROCIRCUITS and shall be marked

as directed, held for delivery to EI MICROCIRCUITS and shall not be used in the manufacture of any articles for anyone other than EI MICROCIRCUITS. Unless otherwise stated on the face hereof EI MICROCIRCUITS SHALL HAVE NO OBLIGATION to furnish or pay for tools, dies, jigs or equipment of any kind required for Seller's performance of this order.

17. CONFLICT MINERALS: Seller warrants that, to its knowledge, no tantalum, tin, tungsten and/or gold ("Conflict Minerals"), contained in any good subject to this order, originated from the Democratic Republic of the Congo or an adjoining country, unless the Conflict Minerals were processed by a facility listed as compliant pursuant to the CFSI Conflict-Free Smelter Program. Seller agrees to abide by the terms and conditions in Purchaser's Conflict Mineral Policy, and to communicate to its sub-suppliers in an attempt to ensure legal compliance. Seller agrees to cooperate and work with its sub-suppliers in an attempt to ensure traceability of Conflict Minerals at least to smelter or refiner level, to maintain and record all Conflict Minerals traceability documentation for five years, and to provide such documentation to Purchaser upon request.

18. ASSIGNMENTS AND SUBCONTRACTING: No part of this order may be assigned or subcontracted without the prior written approval of Purchaser.

19. SHIPPING TERMS: Delivery shall be made in accordance with the Terms of this Order. The Order number must appear on all documents pertaining to the Order, invoices, packing lists, correspondence, and all shipping documents. Seller shall not substitute material or ship more than the quantity ordered. Supplier shall be solely responsible for and pay, all costs of delivering the Goods to the Delivery Location, including, without limitation, all shipping and freight costs and all duties, fees, tariffs, or similar



analogous taxes on imports/exports of the Goods ("Custom Duties"). Supplier will take all reasonable steps to minimize custom duty costs.

20. PAYMENT TERMS: Unless otherwise specified in the Order, net payment will be made in 60 days.

21. SHIPMENT: If in order to comply with Purchaser's required delivery date it becomes necessary for Seller to ship by a more expensive way than specified in this purchase order, any increased transportation, costs resulting therefrom shall be paid for by Seller unless the necessity for such rerouting or expedited handling has been caused by Purchaser.