

**1.0 Purpose.** To detail general purchasing requirements.

**2.0 Definitions.**

**2.1** “Buyer” used throughout document refers to SoPark Corporation.

**2.2** “Seller” refers to any supplier.

**3.0 Purchasing Terms and Conditions.**

**3.1 Acceptance.**

- a. Product Specifications. Manufacturer and Manufacturer Part # determine exact material required. Buyer’s internal number is provided only for reference.
- b. Suggested Alternates. Only with preapproval.
- c. Materials must be free and clear of all liens, claims, and encumbrances.
- d. Upon acceptance of a purchase order, Seller is accepting these terms, delivery, and pricing. If Seller cannot meet a requirement, they must notify Buyer prior to fulfilling order.
- e. Independent Distributors. On request, certificate of Conformance and Test Data (e.g., De-lid and Die Verification Report) will be provided.
- f. Seller to provide parts directly from Original Component Manufacturer (OCM), Original Equipment Manufacturer (OEM) or franchised distributor to allow traceability of components.
- g. Material Conditions:
  - Materials shall be new- not used, reconditioned, remanufactured, or of such age as to impair its usefulness or safety.
  - Printed Circuit Boards (PCBs), unpopulated, aged over 3yrs will not be accepted.
  - Batteries aged over 3yrs will not be accepted.
  - Sellers are to provide date code/lot code information whenever possible.
  - Shelf-Life (Limited Life Material) (chemicals or mixtures). Materials must have at least 75% of shelf-life remaining.
  - No product service shall be provided which deviates from drawings or specifications, without prior approval. The Seller shall be responsible for any additional costs incurred due to Seller suggested deviations. Should Seller detect nonconforming material delivered to Buyer, it is Seller’s responsibility to notify Buyer.
  - SMT Strips. 12” leader or equivalent coverage of parts is required.

**3.2 Shipment, Packing and Declaration of Origin.**

- a. Items must be delivered no more than **three (3) days earlier or zero (0) days later** from scheduled date.
- b. Packing slips must accompany all shipments and must reference purchase order number, part number, and quantity being shipped.
- c. Shipments not properly handled or packaged may be rejected and returned to Seller for credit or replacement. ANSI/ESD S20.20-2007, JESD 625A or equivalent. ESD and MSD sensitive devices, as defined by manufacturer, shall be handled in a manner consistent with industry standards for handling and storage.
- d. All shipments made to Buyer or directly to its assigns will be designated F.O.B. Destination.
- e. The Seller must follow Buyer’s shipping instructions. If shipping instructions were not followed, Seller will be liable for all extra charges.
- f. Seller shall retain records for a minimum of **3 years**, execution of purchase order, requirements of applicable laws or regulations; or final resolution of any disputes regarding goods delivered.
- g. US Customs and Border Patrol (CBP) Paperwork. When goods provided originate outside of United States, prior to its first shipment of goods to Buyer, Seller shall provide Buyer a Certificate of Origin specifying Country of Origin, including Seller name, Buyer purchase order number, Buyer part number, and, as requested, any other documentation.

**3.3 Modification or Cancellation of Purchase Orders.**

- a. Modifications. No modification to any part of purchase order, including terms and conditions, shall be valid. The Buyer further reserves right to change quantities and/or delivery dates, as necessary.
- b. Cancellation. Buyer reserves right to cancel open balances not received on or before due date.
- c. Force Majeure. In event of interruption of Buyer’s business, in whole or in part, by reason of fire, flood, windstorm, earthquake, war, strike, embargo, epidemic, quarantine restrictions, Acts of God, governmental action, or any other reason beyond control, Buyer shall have right to cancel undelivered orders in whole or in part.

**3.4 Invoices.**

- a. Invoices must reference purchase order number and have same prices and terms. Payment terms and discounts will be calculated from the latter of actual delivery date and date a properly filled out original invoice or packing slip is received. Seller should invoice **no later than 30 days** after shipment of items, regardless of actual payment terms.

**3.5 Parts Obsolescence.**

- a. When Seller has knowledge any hardware item or material to be provided is obsolete, is marked for impending obsolescence, or has an established end of production date, Seller shall immediately give notice with all relevant information to Buyer. Such notice shall include, but not be limited to:

- Complete details of which parts are affected, including rated Mean Time Between Failure (MTBF), where available
- Date of obsolescence
- End of production date
- Reason for obsolescence
- Pricing and availability of last time buy
- Supportability terms (repair and warranty) for last time buy
- Seller's recommendation for replacement hardware inclusive of known impacts to performance, pricing, availability, and lead time
- Seller's initial notifications of obsolescence shall be made through end of contracted warranty period for goods provided under order.

### **3.6 Quality System (QMS).**

- a. Sellers are **preferred** to have a certified ISO 9001 or equivalent quality system. Seller shall inform Buyer of any changes to Seller's quality management system or certifications in writing within ten business days. This includes certification, re-certification, or withdrawals.

### **3.7 Corrective and Preventative Action.**

- a. Seller is to conduct appropriate investigations into root cause and identify and implement corrective action preventative action (CAR/PAR) associated with Buyer complaints and/or rejection of Seller material within 30 days of notification. Seller agrees to assist Buyer in investigating root cause as well as establishing appropriate corrective action for any failure/issue for any Buyer complaint investigation related to good or service provided to Buyer.

### **3.8 On-Site Service Providers.**

- a. Seller agrees to follow all on-sites applicable Environmental, Health & Safety procedures. All waste generated by Seller while on Buyer's premises must be safely and properly managed. The Seller may be audited to ensure compliance with these requirements.

### **3.9 Insurance.**

- a. Seller implies they carry:
  - **General Liability Coverage \$2,000,000, with \$10,000,000 general aggregate**
  - **Workman's Compensation Insurance \$1,000,000 or as required**
- b. Such insurance shall remain in effect for two (2) years after expiration or termination of order.
- c. Seller shall furnish a copy of these insurance policies to Buyer on request. In no way shall Buyer assume any liability for losses incurred by Seller as a result of their activities in fulfillment of order.

### **3.10 Regulations and Standards.**

- a. AS5553 Counterfeit Part Avoidance Policy Regulations (preferred) to avoid, detect, mitigate risk and disposition counterfeit Electrical, Electronic, and Electromechanical (EEE) parts through controlled purchasing, authentication, inspection, test, and reporting.
- b. Mineral Conflict-Free Policy, as applicable (Tantalum, Tin, Gold, Tungsten): Seller must be compliant as per Responsible Minerals Initiative (RMI) (aka Conflict Free Mineral (CFM)) Sourcing, requirements of EICC-GeSI to comply with United States Dodd-Frank Act.
- c. RoHS (Restriction of Hazardous Substances). Seller will disclose whether goods and/or materials furnished are included on RoHS lists as amended at time of any order.
- d. REACH, Substances of Very High Concern (SVHC) Disclosure Clause. Seller will disclose whether goods and/or materials furnished are included on REACH lists as amended at time of any order.
- e. Ozone Depleting Substances. Seller represents and warrants no materials contain or are manufactured using any substances restricted under Montreal Protocol on Ozone Depleting Substances.
- f. Safety Data Sheets (SDS). The Seller will promptly provide Buyer with Material Safety Data Sheets and any other documentation reasonably necessary to enable Buyer to comply with applicable laws and regulations.
- g. Hazardous Materials. If any items or services include or require use of hazardous materials, Seller represents and warrants Seller and its personnel providing these items and/or services understand nature of and hazards associated with design and/or service of items including handling, transportation, and use of such hazardous materials, and fully comply with all laws and regulations regarding acquisition, transportation, identification, handling, storage, use, and disposal of these hazardous materials. The Seller will indemnify Buyer from any liability resulting from actions of Seller or its contractors in connection with providing hazardous materials to Buyer and/or use of hazardous materials in providing items and/or services to Buyer.

### **3.11 Compliance with Laws.**

- a. The Seller shall comply with national, state, and local laws and regulations governing:
  - manufacture (labor, safety, health, environment)
  - international transportation: import, export

- sale of items
- performance of services
- b. Federal Acquisition Regulation (FAR), (including Department of Defense FAR Supplement). If purchase order is issued under a United States Government prime contract or subcontract, flow down clauses within and any other provision or requirement mandated as applicable to U.S. Government subcontracts and or applicable government department or agency supplement is hereby incorporated herein. Such government contract provisions shall be controlling over any conflicting terms and conditions set forth herein.
- c. International Traffic in Arms Regulations (ITAR). U.S. Defense Article Export/Import Control. If Seller is a U.S company engaging in business of either manufacturing or exporting defense articles or furnishing defense services, Seller hereby certifies it has and is currently registered with U.S. Department of State Directorate of Defense Trade Controls (DDTC) and understands its obligations to comply.
  - Neither Seller nor any of its subsidiaries will export/re-export any technical data, process, product, or service, directly or indirectly (including release of controlled technology to foreign nationals from controlled countries) to any country for which United States government or any agency thereof requires an export license or other governmental approval without first obtaining such license or approval from Buyer.
- d. Insider Trading. Information not publicly known could affect price of public securities (“inside information”). Seller must not trade on inside information, tip others so they may trade or share inside information with those who do not need the information to do their job. This could include information about changes in executive leadership, financial results, new product plans, planned mergers or acquisitions, or sale of company assets or subsidiaries.
- e. Defend Trade Secrets Act of 2016 ("DTSA"). Seller shall ensure its employees and those of sub-tier Sellers are aware an individual shall not be held criminally or civilly liable under any United States Federal or State trade secret law for disclosure of a trade secret made in confidence to a United States Federal, State, or local government official or to an attorney solely for purpose of reporting or investigating a suspected violation of law.
- f. Customs-Trade Partnership Against Terrorism (C-TPAT). Seller must acknowledge and agree to support requirements and purpose. This is a joint program between U.S. Custom and Border Protection (CBP) and trade community to reduce terrorism threats by means of protecting integrity of cargo imported into United States.

### **3.12 Dispute Resolution.**

- a. Patent Indemnity. Seller agrees to indemnify Buyer against any liability, including costs and expenses, for or by reason of any asserted patent infringement arising from manufacture, use or sale of any articles furnished.
- b. Arbitration. Seller agrees, in event it becomes necessary for Buyer to take arbitration or enforcement action of purchase order, Seller shall accept terms of arbitration. Each party shall absorb its own costs of arbitration, including attorneys' fees, except non-prevailing party shall pay 100% of any arbitrator's fees.
- c. Each of buyer and seller irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to order.
- d. Electronic signature. The parties agree, if purchase order is transmitted electronically, neither party shall contest validity of purchase order or any acknowledgement thereof on basis of an electronic signature.
- e. All disputes and claims arising will be decided according to laws of New York State, in which Buyer is located.

### **3.13 Facility.**

- a. Seller's facility must be maintained in a good state of repair, provide adequate lighting, ability to separate discrete operations or processes to prevent mix ups or other deterioration/contamination, have a defined cleaning schedule, and have a pest control program in place. Seller must promote safe and respectful working conditions as well as environmentally responsible business operations.
- b. Access and Audits. Buyer, their customers, and regulatory authorities reserve the right to perform audits and/or inspections at all facilities involved in order. Audits may be in form of regularly scheduled meetings (face to face or conference call). These audits and/or inspections are performed to determine if product procured conforms to requirements and may include Seller material, records, process and routing sheets, manufacturing, test, and inspection facilities. Also, upon Buyer's request, Seller shall make available to Buyer all quality records not limited to inspection results and test data.

### **3.14 Warranty.**

- a. In addition to any warranty implied by fact or law, Seller expressly warrants all items to be free from defects in design, materials, and workmanship; to conform strictly to applicable specifications, drawings, and approved samples, if any; to be fit and sufficient for purpose intended, and to be merchantable. All warranties shall survive inspection, test, acceptance of and payment by Buyer. In event of breach of warranty, Buyer may, at their option, either return merchandise for full credit or require prompt correction or replacement of defective or non-conforming goods.

### **3.15 Breach of Purchase Order.**

- a. Seller agrees any action in relation to an alleged breach shall be commenced within one (1) year of date of breach, without regard to date the breach is discovered.

**3.16 Anti-Corruption Compliance.**

**a. Seller warrants that:**

- No monies or anything of value (services, gifts, gratuities, kickbacks, or otherwise) is provided to any person or firm in connection with purchase order directly, or indirectly, whether for purpose of obtaining or retaining business, or to secure an advantage in conduct of business. This includes:
  - any person or firm employed by or acting for or on behalf of any customer, whether private or governmental
- Seller has not made, and will not make, any improper payments, directly or indirectly, including without limitation facilitation payments, bribes, or kickbacks.
- Seller has established and will maintain an effective business ethics and compliance program and procedures to prevent corruption and ensure compliance with all applicable laws and regulations pertaining to corruption and bribery.
- Seller will promptly disclose to Buyer in writing all pertinent facts regarding any violation, or alleged violation, of US Foreign Corrupt Practices Act, US Anti-Kickback Act, and UK Bribery Act.
- Seller shall include this Section, or provisions of equivalent effect, in any lower tier subcontracts under purchase order.

**3.17 Independent Contracting Parties.**

- a.** The relationship between Buyer and Seller shall be of independent contracting parties. Nothing contained in purchase order shall be construed as providing for sharing of any costs, expenses, risks, or liabilities arising out of other party's activities related to purchase order. Seller shall not in any manner represent it or its employees or agents are employees or agents of Buyer, and nothing contained in purchase order shall be construed as authorizing Seller to create or assume any obligation or liability in name of Buyer or subject Buyer to any obligation or liability. Purchase order shall not constitute, create, give effect to, or otherwise imply a joint venture, pooling arrangement, partnership, or formal business organization of any kind. Nothing herein shall be construed as providing for sharing of profit or losses arising out of efforts of either or both parties.