

IMPACT COMPONENTS

PURCHASE ORDER TERMS & QUALITY CLAUSE CONDITIONS

A. PRODUCT: 1) All goods must be new and unused, and neither reconditioned, repaired, or modified from the Original Component Mfg's (OCM) design. 2) All parts must be prime, unused, un-pulled and un-programmed. 3) Parts must not have bent or formed leads, test dots or other 3rd party markings. 4) All parts must be contained in original manufacturers' packaging. 5) No substitutions or changes are allowed without written approval from Buyer. 6) Prior to shipment, Supplier shall notify Impact Components if a non-conformance condition exists with the product and obtain approval for nonconforming product disposition. 7) Supplier shall notify Impact Components of any changes in product definition or process. 8) Quantity variances and / or partial shipments are not permitted unless prior written authorization is received from the Buyer.

B. COUNTERFEIT / SUSPECTED PARTS POLICY: 1) Counterfeit parts have no value. For example, any Limitation of Warranties provision contained in the Supplier's Terms and Conditions will be declared null and void if it is later determined that counterfeit parts or suspect counterfeit parts were received by Impact Components from Supplier. Supplier and Impact Components hereby agree that if Impact Components or a testing laboratory chosen by Impact Components determines that the goods supplied are suspect counterfeit or counterfeit, then Supplier and Impact Components have the right to: A) Agree with Impact Components' findings and the transaction will be voided; or B) Verify Impact Components' findings by contracting with an Impact Components' approved and Supplier recognized test laboratory (hereinafter referred to as "lab"). 2) If Supplier accepts Impact Components' findings and chooses to immediately void the transaction, the suspect electronic parts will not be returned to Supplier unless and/or until an independent lab agreed to by both Supplier and Impact Components determines that the electronic parts are not suspect counterfeit or counterfeit. Under these circumstances, Impact Components shall retain possession of the suspect electronic parts for a time period at least as long as the applicable statute of limitations under the appropriate Authority(ies); Having Jurisdiction following the date upon which Supplier received notification from Impact Components that it was choosing to immediately void the transaction between them. Once this period has expired, then Impact Components shall have the absolute right to destroy the suspect electronic parts. If Supplier exercises their rights to have an independent lab determine whether the suspect electronic parts are counterfeit and the lab verifies the findings that the subject electronic parts are either suspect counterfeit or counterfeit, then Supplier must issue an immediate refund of all monies paid by Impact Components. Impact Components and Supplier agree that whether or not Supplier refunds all monies paid by Impact Components, Impact Components shall have the absolute right to reacquire possession of the subject electronic parts from the lab in order to prevent the subject electronic parts from being offered for sale through any channels of distribution. In the event that Supplier pursues its Supplier, either in civil or criminal proceedings, Supplier shall have the right upon request to receive and use a mutually agreeable sample quantity of the parts sold for the purpose of pursuing its remedies. Upon completion of testing, samples will be returned to Supplier who will then return them to Impact Components. Impact Components and Supplier agree that Impact Components shall have the right to destroy the suspect electronic parts after expiration of the applicable statute of limitations under the appropriate Authority(ies) Having Jurisdiction. Notwithstanding the above, if Impact Components and Supplier agree in writing that the parts can be immediately destroyed, the parts will be destroyed per their agreement so long as all civil or criminal actions, in which the suspect electronic parts are the subject of the action have been completed. 3) If prior to receipt of the subject parts from Supplier, the United States Customs Service or any related agency ("USCS") seizes the subject parts, then Impact Components' obligations to pay for the subject parts is tolled until the subject parts are released from USCS. If Impact Components has already paid Supplier for the subject parts and the subject parts are then seized by USCS, then Supplier shall reimburse Impact Components all of the monies that it has received from Impact Components and Impact Components shall not be required to pay for the subject parts until they are released by USCS.

C. DEFINITION OF SUSPECT, FRAUDULENT, AND COUNTERFEIT PARTS: Impact Components defines: 1) Suspect Part- A part in which there is an indication by visual inspection, testing or other information that it may have been misrepresented by the supplier or manufacturer and may meet the definition of fraudulent or counterfeit part. 2) Fraudulent Part- Any suspect part knowingly misrepresented to Impact Components as meeting Impact Components requirements. 3) Counterfeit Part- A fraudulent part that has been confirmed to be a copy, imitation or substitute that has been improperly represented, identified or marked as genuine, and/or altered by a source without the legal right to do so with intent to mislead, deceive or defraud.

D. INSPECTION: 1) All goods provided by the seller are subject to inspection and approval. 2) The original manufacturers' markings, labels and date codes must be legible and not altered in any way. 3) Buyer and authorized representatives of Buyer's Customers and / or Regulatory Authorities shall have direct access to all applicable areas of all Seller's and Seller's Subcontractor's Plants (at any level of the supply chain) where work under this P.O. is being performed, to review progress, records and witness testing of the items related to this P.O. Seller shall include this clause in all of Seller's subcontracted Purchase Orders. 4) If Government Source Inspection is required, it shall be performed at Supplier's facility prior to shipment as directed by Impact Components/ "GSI" any in process inspection is also mandated by this clause. Supplier shall provide evidence of Government Source Inspection with each shipment if applicable

E. WARRANTIES: 1) All products must fully satisfy the manufacturer's specifications. 2) Seller warrants goods supplied are merchantable and fit for the particular purposes for which goods are ordinarily employed. 3) Seller further warrants to the Buyer and to any third party ultimately using any item whether such third party is a customer of Buyer or not, that all items delivered under this order will be free from defects in material and workmanship and will conform to applicable specifications, drawings, samples and descriptions. 4) Seller shall be liable for all damages both to Buyer and its customers incurred as a result of any defect or breach of warranty in any item covered by this order. 5) The foregoing express warranties shall be in addition to any warranty customarily made by Seller of its product and any implied warranties and shall be construed as conditions as well as warranties. 6) SELLER'S WARRANTY SHALL EXTEND FOR A MINIMUM OF 90 DAYS AFTER THE ITEM IS DELIVERED AND ACCEPTED BY BUYER AND USED FOR ITS INTENDED APPLICATION. Where Buyer delivers that item to its customers or any third party, Seller's obligation under this clause shall be for the benefit of Buyer's customer and shall extend to 90 days after use of the item for its intended application.

F. DEFECTIVE PRODUCT: Seller must guarantee a return for all defective products. 1) Goods rejected by Buyer for whatever reason shall be held, transported and/or stored at Seller's sole expense. Seller shall promptly reimburse Buyer for any such expenses. 2) Defective product purchased COD will be returned COD to Seller or COD check will be cancelled, at Buyer's discretion. 3) Seller is responsible for all costs associated with RoHS non-compliance returns and will accept a full return for all parts not meeting RoHS compliance criteria if necessary. 4) Seller is 100% responsible for any monetary and/or rework costs associated with product failures in addition to any further cost whatsoever associated with product failures.

G. SUPPLIER CERTIFICATE OF CONFORMANCE: 1) When required, a legible and reproducible Certificate of Conformance or Seller's statement of quality will accompany each shipment. Certifications must show the part number, quantity, specification, and revision number, and have a legible printed and signed signature and title of responsible person signing the certification. This certifies the material / services provided by the seller meet all drawing and / or specifications requirements. Records supporting this certification shall be on file and shall be provided to Buyer upon request. Supplier represents and warrants that the Certificate of Conformance that it has provided to Impact Components is authentic.

H. DELIVERY: Supplier acknowledges that all orders are placed with the understanding that Time is of the Essence. 1) If shipment will be delayed for any reason, Seller should contact Buyer at once. 2) This order may be terminated if delivery is not made by the due date specified without cost or obligation to Buyer. 3) No change in the scheduled delivery date will be permitted without Buyer's written consent. 4) Any short shipments are cause for cancellation by Buyer without cost or obligation. 5) Seller waives the right to cure a non-conforming delivery.

I. SHIPPING INSTRUCTIONS: All goods are to be shipped freight collect, F.O.B. destination by the specified carrier, unless otherwise stated. 1) SELLER SHALL NOT CHARGE INSURANCE except upon Buyer's written request. We carry our own. 2) Regardless of F.O.B. Point, Seller agrees to bear all risk of loss, injury, or destruction of goods and materials ordered herein which occur prior to acceptance by Buyer. 3) No such loss, injury, or destruction shall release Seller from any obligations hereunder. 4) Seller agrees to ship all exported products with accurate and full values on all pro forma invoices and shipping/ customs documentation that corresponds to that which is indicated on the Purchase Order. Under-valued invoices will not be accepted.

J. PURCHASE ORDER CONFIRMATION: Please confirm this order immediately. 1) This purchase order is not effective until Buyer receives a copy executed and signed by an authorized representative of the Seller acknowledging the terms and conditions of purchase contained on or attached to this order. 2) Any additional or different terms or conditions which may appear in any communication from Seller are hereby expressly objected to and shall not be effective or binding unless specifically agreed to in writing by Buyer's Purchasing Department. 3) Buyer's acceptance of goods shall not deem acceptance of any additional or different terms or conditions, unless such acceptance specifically recognizes and assents to their inclusion. 4) Buyer reserves the right to cancel any purchase and return any product that does not have a signed confirmation.

TAXES: Buyer agrees to pay the State Sales and Use Taxes or to provide Seller an exemption certificate. 1) Buyer's resale number in California is SRFH25918562, in Florida is 2680119075973, GST in Canada is 845967678RT0001, and PST in Ontario 58360476. 2) Seller shall pay all taxes that may arise out of its sale of the goods to Buyer except for the State Sales and Use Taxes.

CHOICE OF LAW/VENUE: California law will govern any disputes arising from this purchase order. 1) The Superior Court of the State of California, County of San Diego will have exclusive jurisdiction over any matter resulting from this purchase order. 2) In the event of any action on this purchase order, the prevailing party shall recover reasonable attorney fees and costs as damages. 3) Before either party initiates any type of action, the parties will participate in mediation, which must last at least four hours unless the dispute is resolved in a shorter amount of time. 4) The liability of Buyer for claims, losses, damages and expenses from any cause whatsoever, regardless of the form of action and whether in tort, contract or otherwise, shall not exceed the lesser of (i) the direct damages proven, or (ii) the purchase price of the product that directly gave rise to the claim. 5) Seller irrevocably consents to the personal jurisdiction of such courts in connection with any such action or proceeding. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.