



## NIX-F-8.4-03 Purchase Order Terms and Conditions

1. **ACCEPTANCE AGREEMENT:** Seller's commencement of work or shipment of the goods, whichever occurs first, constitutes acceptance of Niltronix Circuits's purchase order and the terms and conditions stated herein. Niltronix Circuits hereby objects to any terms proposed in Seller's acceptance or acknowledgment of Niltronix Circuits's offer which add to, vary from, or conflict with the terms of Niltronix Circuits's purchase order. Any such proposed terms shall not operate as a rejection of this offer but are deemed a material alteration, and this offer shall be deemed accepted by the Seller without the said additional or different terms. If Niltronix Circuits's purchase order shall be deemed an acceptance of a prior offer by Seller, such acceptance is expressly limited to the terms contained on Niltronix Circuits's purchase order and the terms and conditions stated herein.
2. **PRICE:** The articles shipped or work performed against Niltronix Circuits's purchase order must not be invoiced at a higher price than shown on the face of Niltronix Circuits's purchase order without the written consent of Niltronix Circuits. The invoice must itemize transportation charges, including foreign inland freight and insurance and taxes separately, if applicable. If the price is omitted from the order, the price shall be the lowest prevailing market price. No charge will be allowed for packing, labeling, commissions, customs duties, storage, crating, or express handling unless indicated on Niltronix Circuits's purchase order.
3. **CONFIDENTIAL PROPRIETARY INFORMATION:** Any information or data furnished by Niltronix Circuits to Seller under Niltronix Circuits's purchase order in the form of specifications, drawings, reprints, technical information, equipment, prototypes, forecasts, schedules, or other technical or business information shall be deemed Niltronix Circuits Confidential Proprietary Information, shall remain Niltronix Circuits's property, shall be kept confidential, and shall be promptly returned to Niltronix Circuits at Niltronix Circuits's request. Seller shall not disclose, without Niltronix Circuits's written permission, any such information or data to any other person, or use such information or data for any purpose other than performing Niltronix Circuits's purchase order. The obligations under this paragraph shall survive cancellation, termination, or completion of Niltronix Circuits's purchase order. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Seller to Niltronix Circuits shall be deemed secret or confidential.
4. **WARRANTIES:** Seller expressly warrants that all goods or services provided under Niltronix Circuits's purchase order shall be merchantable, free from defects in material and workmanship, of the highest quality, and shall conform to all applicable specifications, including but not limited to integration and assembly, appropriate standards and there shall be no product substitutions or replacements even if such products have the same form, fit or function. If Seller knows or has reason to know the particular purpose for which Niltronix Circuits intends to use the goods or services, Seller warrants that such goods or services shall be fit for such particular purpose. Seller further warrants that the goods are wholly new and contain new components and parts throughout and that Seller has good and warrantable title to the goods free and clear of all liens. Seller shall indemnify and hold Niltronix Circuits harmless for any and all damages arising out of any breach of these warranties including but not limited to the out-of-pocket cost for Niltronix Circuits to perform necessary repairs when Niltronix Circuits determines in its sole discretion that time is of the essence. In addition to the warranties above, Seller shall extend all warranties it receives from its vendors to Niltronix Circuits, and to Niltronix Circuits's customers. Breach of the warranties in this provision, or any other term of Niltronix Circuits's purchase order, shall entitle Niltronix Circuits to all available remedies, including those of the Uniform Commercial Code.
5. **TERMINATION:** Niltronix Circuits may terminate all or any part of Niltronix Circuits's purchase order at any time for its convenience upon written notice to Seller. Late deliveries, deliveries of products which are defective or which do not conform to Niltronix Circuits's purchase order, failure to perform as agreed, and failure to provide reasonable assurances of future performance upon request, shall all be reasons allowing Niltronix Circuits to terminate Niltronix Circuits's purchase order for cause. In such event of termination for cause Seller shall be liable for any damages (or at Niltronix Circuits's option, specific performance) due to Seller's breach or default. **NILTRONIX CIRCUITS'S TOTAL LIABILITY FOR DAMAGES UNDER NILTRONIX CIRCUITS'S PURCHASE ORDER SHALL NOT EXCEED THE PRICE ALLOCABLE TO THE GOODS OR SERVICES GIVING RISE TO THE CLAIM.**
6. **INTELLECTUAL PROPERTY INDEMNITY:** By acceptance of Niltronix Circuits's purchase order, Seller agrees to indemnify Niltronix Circuits against all claims, judgments, decrees, costs and expenses, and attorney's fees incident to any proceeding which may be brought against Niltronix Circuits or its agents, distributors, customers, or other vendors based on a claim of alleged copyright, trademark, mask work right, or patent infringement, as well as for an alleged claim of unfair competition resulting from similarity in design, trademark or appearance of goods or services furnished under Niltronix Circuits's purchase order, unless the goods or services are of Niltronix Circuits design or formula, and Seller agrees that it will, upon request of Niltronix Circuits and at Seller's own expense, defend or assist in the defense of any action which may be brought against Niltronix Circuits or its agents, distributors, customers, or other vendors for such infringement or claimed infringement or alleged claim of unfair competition. Niltronix Circuits agrees to notify Seller promptly upon receipt of notice of infringement or information of such a suit having been filed.
7. **INDEMNIFICATION:** Seller shall defend, indemnify and hold Niltronix Circuits harmless against all damages, claims or liabilities and expenses (including attorney's fees) arising out of or resulting in any way from any obvious or apparent defects or latent defects in the goods or services purchased under Niltronix Circuits's purchase order, or from any act or omission of Seller, its agents, employees or subcontractors. This indemnification shall be in addition to all other obligations of Seller under Niltronix Circuits's purchase order.
8. **CHANGES:** Niltronix Circuits shall have the right to make changes in Niltronix Circuits's purchase order at any time for its convenience upon written notice to Seller. Such changes shall be subject to an equitable adjustment in the performance schedule or purchase price, based on reasonable and unavoidable costs incurred by the Seller prior to notice of the change. Any claim of Seller for an adjustment must be submitted in writing to Niltronix Circuits within thirty (30) days of the Niltronix Circuits change notice. Seller shall have no right to make any changes to Niltronix Circuits's purchase order or to the applicable specifications even if such change would have the same form, fit or function.
9. **CONTROL IDENTIFICATION:** Seller shall include on the shipping document (invoice/packing sheet) and/or test report the control identity for material being shipped. When test reports are not required by the PO/Contract, the control identity shall be on the shipping document. The control identity is, as applicable, the manufacturing date, lot, batch number, heat or serial number. When multiple lots are included in one shipment, Seller shall separate and identify respective lots, and indicate each lot quantity.
10. **INSURANCE:** If Niltronix Circuits's purchase order includes services or work to be performed on Niltronix Circuits's premises, Seller agrees to indemnify Niltronix Circuits from all loss or damage arising out of such work, to observe the highest safety standards, to adhere to all Niltronix Circuits work rules, safety standards and security requirements, to maintain insurance satisfactory to Niltronix Circuits, and to furnish evidence of such insurance at Niltronix Circuits's request.
11. **COMPLIANCE WITH LAWS:** Seller warrants that all goods and services supplied pursuant to Niltronix Circuits's purchase order will have been produced and supplied in compliance with all applicable federal, state and local laws, orders, rules and regulations. Seller shall indemnify Niltronix Circuits against any liability caused by any non-compliance with this provision.
12. **GOVERNING LAW:** Niltronix Circuits's purchase order and the acceptance of the same shall be governed by and construed pursuant to the laws of the State of Texas, without reference to conflict of law principles.
13. **JURISDICTION AND VENUE:** The Texas state courts in Harris County, Texas or, if there is exclusive federal jurisdiction, the United States District Court for the State of Texas, will have exclusive jurisdiction and venue over any dispute arising out of this agreement and sales, and



Buyer hereby consents to the jurisdiction of such courts. Reasonable attorneys' fees and costs will be awarded to the prevailing party in any such action.

14. **GENERAL:** Niltronix Circuits's purchase order and any documents attached to or referred to on Niltronix Circuits's purchase order constitute the entire agreement between the parties and can only be modified in writing signed by authorized representatives of both parties. No part of Niltronix Circuits's purchase order may be assigned or subcontracted without the prior written approval of Niltronix Circuits. All claims for money due or to become due from Niltronix Circuits shall be subject to deduction or set off by Niltronix Circuits for any counterclaim arising out of this or any other transaction with Seller. Niltronix Circuits's failure to enforce or insist on performance of any of the terms or conditions in Niltronix Circuits's purchase order shall not operate as a waiver of that or any other right.
15. **SELLER ACKNOWLEDGEMENT AND WARRANTY:** Seller hereby acknowledges that the parts/materials ordered on this Purchase Order/Contract Are for incorporation into an aircraft or will be used in the manufacture of, or maintenance of an aircraft. Seller warrants and represents that all parts/materials delivered in accordance with this Contract/PO are of NEW manufacture and meet or exceed all specifications and requirements specified in this PO/Contract or referenced document.
16. **INSOLVENCY OF SELLER:** Without prejudice to Paragraph 5 or any other rights or remedies Niltronix Circuits may have, if Seller becomes insolvent or bankrupt, makes an assignment for the benefit of creditors or admits in writing its inability to pay its debts as they mature or if a petition of any type be filed by or against Seller under any bankruptcy or other law for relief of debtors, Niltronix Circuits in each and every such event may upon written notice to Seller, cancel Niltronix Circuits's purchase order in whole or in part without any liability whatsoever to Seller.
17. **ASSIGNMENT:** No subcontract, assignment or other transfer in whole or in part of Niltronix Circuits's purchase order or of any monies due to or become due hereunder shall be binding upon Niltronix Circuits, without Niltronix Circuits's written consent. Payment of any claim under Niltronix Circuits's purchase order shall be subject to set-off or counter claim for any present or future claims which Niltronix Circuits or any of its affiliated companies, may have against Seller or any of its affiliates.
18. **WAIVER:** Failure or delay on the part of Niltronix Circuits to exercise any right, power or privilege hereunder shall not operate as a waiver thereof or any other subject, right, power or privilege.
19. **SEVERANCE:** If any provision herein is found by a court of competent jurisdiction to be void or unenforceable, the said provision shall be modified as necessary to conform to such laws or, if such modification would destroy the intent of the parties, the said provision shall be severed from Niltronix Circuits's purchase order and Niltronix Circuits's purchase order shall be interpreted without reference thereto.
20. **FORCE MAJEURE:** Neither party will be liable to the other for any delay or failure to perform if that delay or failure results from an unforeseeable cause beyond its reasonable control, except that Niltronix Circuits may terminate all or any portion of Niltronix Circuits's purchase order without liability to Seller if such delay or failure to perform by Seller or on behalf of Seller extends beyond thirty (30) days of Niltronix Circuits's requested delivery date.

## PURCHASE ORDER QUALITY CLAUSES

- Q1 INSPECTION SYSTEM REQUIREMENTS**  
The Seller shall provide and maintain a Quality system that complies with ISO 9001, AS9100 or AS9120, etc. Notwithstanding the provisions of this clause, the Seller is in NO way relieved of the final responsibility to furnish the product or services that are in conformance with other parts of the purchase order. The Seller is responsible for ensuring that all personnel involved with the fulfillment of the purchase order are competent and qualified in their job responsibilities.
- Q2 MRB AUTHORITY**  
Material Review Board authority is **NOT** authorized on this purchase order. The seller will notify Niltronix Circuits. of any nonconforming processes, products, or services and obtain the required approvals for disposition.
- Q3 CHANGES**  
The Seller shall notify the Buyer of any proposed changes in the Design, Fabrication Methods, or Processes previously approved by the Buyer and/or the Buyers customer, and obtain WRITTEN approval of the changes from the Buyer and/or the Buyers customer. Changed articles shall be clearly identified and in a different manner from the previous articles. When a proprietary item is procured by the Buyer, the Seller shall notify the Buyer of changes.
- Q4 RAW MATERIALS**  
Raw materials shall be accompanied with Certifications, chemical and/or physical test results. The Seller shall certify to the specific requirements defined on the face of the purchase order.
- Q5 RAW MATERIALS USED IN PURCHASED ARTICLES**  
Results of tests performed on specimens or detailed analysis of Sellers acceptance test results on all raw materials that are required to satisfy specification requirements and which are employed in the fabrication of articles purchased on a subcontract or purchase order agreement shall be made available to the Buyer upon request.
- Q6 AGE CONTROL AND LIMITED LIFE PRODUCTS**  
**Seller must provide product with Minimum 75% remaining shelf life product upon Receipt**
- Q7 IDENTIFICATION AND DATA RETRIEVAL**  
Where and to the extent that traceability is a specific requirement, the Seller shall apply a unique identification to the individual product, material or batch. This identification data shall be recorded on and traceable to related Sellers records (See Seller Quality Records).
- Q8 SELLER QUALITY RECORDS**  
The Seller shall maintain suitable inspection and test records to serve as evidence of conformance with specified requirements. Such records shall be legible and traceable to the product involved. These records shall be maintained for a minimum period of ten (10) years from the date of final manufacture or as stated otherwise in the contract. After the retention period has expired the Supplier will contact Niltronix Circuits for disposition status and will either destroy the records or return them to Niltronix Circuits as directed.
- Q9 INSPECTION AND TEST CHARACTERISTICS**  
The Seller shall inspect and/or test as applicable, all characteristics defined by the purchase order, applicable drawing/blueprint specifications, pertinent to the work that the Seller is responsible for performing.

- Q10 RESUBMISSION OF NONCONFORMING ARTICLES OR MATERIALS**  
Nonconforming articles and/or materials returned by the Buyer and subsequently resubmitted by the Seller shall bear adequate identification of such nonconformance, either on the articles, materials, or applicable Sellers records. The Seller shall provide evidence that the cause of the nonconformance has been corrected and that actions were taken to preclude any Re-occurrence.
- Q11 RIGHT OF ACCESS-BUYER QUALITY ASSURANCE ACTIVITY AT SOURCE**  
The Buyer and its customers, reserve the right to perform inspections and tests on all articles, materials, or services at all times and places. The Buyer and its customers also reserve the “RIGHT OF ENTRY”, which will allow the supplier, customer or regulatory agency entrance into your facility to determine the Quality of the work/product, records, and/or materials at any place, including the plant of the subcontractor.
- Q12 GOVERNMENT SOURCE INSPECTION**  
When the Government elects to perform inspections at the Sellers facility, the following statement must be applied to the purchase order:  
  
“All work on this purchase order is subject to inspection and test by the Government at any time and place. The Government Quality Representative, who has been delegated NASA Quality Assurance functions on this procurement, shall be notified immediately upon the receipt of this order. The Government shall also be notified forty-eight (48) hours in advance of the time articles or materials are ready for inspection or test.”
- Q13 PROCUREMENTS OTHER THAN THOSE REQUIRING GOVERNMENT SOURCE**  
For procurements, which do not require Government Source Inspection, the following requirement applies:  
  
“The Government has the right to inspect any or all of the work included in this order at the Sellers facility.”
- Q14 SCRAP ALLOWANCE**  
Scrap allowance is 3% on furnished material. For the purpose of this contract, Material is defined as anything from Raw material (e.g. bar, plate stock, etc.), through completed end items.
- Q15 FIRST ARTICLE AT SELLER ACTIVITY**  
Seller shall perform a First Article inspection in accordance with the requirements set forth set forth in AS9102. Seller shall forward one (1) copy of the First Article Inspection Report to the Buyer.
- Q16 CERTIFICATE OF CONFORMANCE**  
Seller shall provide evidence that the processes requested in this Purchase order were performed by approved sources. The Seller shall maintain such evidence on file. Included with each shipment to the Buyer shall be a Certificate of Conformance indicating as a minimum the process description, process number, name and address of the process supplier, the purchase order and part number.
- Q17 ACCEPTANCE TEST REPORTS**  
Include with each shipment a copy, signed by an authorized agent of the Seller, of the results of the lot or item acceptance test required by the applicable specification. Where quantitative limits are established by the specification, the report shall indicate the actual values obtained. Test reports shall include control identity (e.g. heat, lot, serial number, etc.) of the material/item tested. Seller is required to maintain inspection and test records as required by Contract/PO.

- Q18 SELLER ACKNOWLEDGEMENT AND WARRANTY**  
Seller hereby acknowledges that the parts/materials ordered on this Purchase Order/Contract Are for incorporation into an aircraft or will be used in the manufacture of, or maintenance of an aircraft. Seller warrants and represents that all parts/materials delivered in accordance with this Contract/PO are of NEW manufacture and meet or exceed all specifications and requirements specified in this PO/Contract or referenced document.
- Q19 CONTROL IDENTIFICATION**  
Seller shall include on the shipping document (invoice/packing sheet) and/or test report the control identity for material being shipped. When test reports are not required by the PO/Contract, the control identity shall be on the shipping document. The control identity is, as applicable, the manufacturing date, lot, batch number, heat or serial number. When multiple lots are included in one shipment, Seller shall separate and identify respective lots, and indicate each lot quantity.
- Q20 MATERIAL TRACEABILITY**  
Identification of each piece of material and each report is required by specification to provide traceability to heat, lot or batch number.  
Material Label Must be Identify by Date code, Lot code, origin of part and Certificate of Compliance
- Q21 HEAT, LOT, OR BATCH NUMBERS FOR REWORKED MATERIAL**  
Seller shall assign a new heat, lot or batch number to material reworked in accordance with instructions. Seller shall maintain records to show traceability to original material, indicating quantity reworked and subsequently returned to the Buyer. All reworked material shall be identified with only the new heat, lot, or batch number. Sellers shipping document shall indicate both the new and superseded heat, lot or batch number.
- Q22 CUSTOMER FURNISHED MATERIAL**  
This clause is for internal use only and is intended to identify materials and hardware items furnished by the customer at no charge to Niltronix Circuits. Purchasing shall affix this clause to all **no charge** purchase orders used to track materials through the receiving and quality functions.
- Q23 TEST SAMPLES**  
The vendor is required to provide test specimens as requested for inspection, verification, investigation, or auditing.
- Q24 COUNTERFEIT PARTS**  
The vendor is required to have a process for the prevention of the use of counterfeit parts.
- Q25 TECHNICAL DATA**  
The Buyer is responsible for ensuring the Seller has access to all relevant technical data needed to provide conforming products, processes, and services. This technical data includes, but is not limited to, drawings, specifications, process requirements, and work instructions.
- Q26 EXTERNAL SOURCES**  
The Seller will use customer-designated or approved external providers and will ensure proper flow-down of all requirements, including customer requirements, to their external providers.
- Q27 AWARENESS**  
The Seller will ensure that all personnel are aware of their contribution to product and service conformity, product safety, and ethical behavior.

**Q28      PACKING, DELIVERY AND SHIPMENT:**

All goods shall be packed and shipped in accordance with instructions or specifications on Niltronix Circuits's purchase order. In the absence of any such instructions, Seller shall comply with best commercial practice to ensure safe arrival at destination at the lowest transportation cost. **TIME IS OF THE ESSENCE ON NILTRONIX CIRCUITS'S PURCHASE ORDER.** If goods are not delivered or services provided by the date specified, Niltronix Circuits may terminate, without liability, Niltronix Circuits's purchase order as to items not yet shipped or services not yet rendered, by notice effective upon receipt by Seller. In such instance, Niltronix Circuits may purchase substitute items or services elsewhere and charge Seller with any loss incurred. If in order to comply with Niltronix Circuits's required delivery date it becomes necessary for Seller to ship by a more expensive method than specified in Niltronix Circuits's purchase order, Seller shall pay any increased transportation costs, unless the necessity for such rerouting or expedited handling has been caused by Niltronix Circuits. The seller shall maintain a system to prevent damage to the supplied item from Electro-Static Discharge (ESD). Prevention shall include special handling precautions used at their facility as well as packaging Precautions in delivery. Refer to EOS/ESD S20.20 or MIL-HDBK-263 system and EIA 541 packaging document.

**Q29      CALIBRATION**

All measuring tools and equipment designed to provide proof of acceptance and compliance to requirements, shall be calibrated and proof of calibration kept on file at the seller's facility. Niltronix reserves the right to request proof of calibration for test and inspection equipment at any time.