ADI American Distributors, LLC. Purchase Order Terms and Conditions

Definitions:

Buyer in this document is ADI American Distributors.
Seller is purchase order addressee

1. The Purchase Order is an offer by Buyer to purchase the Goods and/or Services (as applicable) from Supplier in accordance with and subject to these terms and attached to the purchase order as notes and flow downs. The Purchase Order is not binding on Buyer until it is accepted by Supplier. Supplier will be deemed to have accepted the Purchase Order when it (i) sends Buyer notice of acceptance in writing, (ii) starts to perform the Services in accordance with the terms of the Purchase Order, (iii) three days pass from time of purchase order receipt and/or (iv) delivers any or all of the Goods covered by the Purchase Order, whichever occurs first. Buyer may withdraw the Purchase Order at any time before it is accepted by Supplier. No contract will exist except herein provided.

The goods will not be accepted until inspected at our facility and found to be conforming. In addition to any terms of payment shown, we shall be entitled to all discounts regularly allowed by the seller.

2. ***QMS*:** The seller shall have an approved quality management system.

3. Seller guarantees that the sale or use of its products do not infringe any United States of foreign patent, and undertakes to indemnify buyer against all judgments, decrees, costs and expenses resulting from alleged infringement, and agrees that the seller will upon request of buyer and at seller's own expense, defend, or assist in the defense of any suit or action which may be brought against the buyer to those selling or using any product of buyer by reason of any alleged infringement of any patent in the sale or use of seller's products.

4. No specification with respect to any part of this order constitutes a warranty, expressed or implied, against claims for infringement or patents, copyrights or trademarks and buyer is not responsible to seller for such a claim.

5. None of the terms and conditions including pricing contained in this Purchase Order may be added to, modified, superseded or otherwise altered except by an authorized representative of the buyer and delivered by the buyer to the seller, and each shipment received by the buyer from the seller shall be deemed to be only upon the terms and conditions contained in this Purchase Order.

6. Buyer may, by notice in writing to seller, direct seller to modify or terminate work under the Purchase Order. Seller shall immediately stop work and limit costs incurred on the terminated work.

7. If seller instructs carrier to notify buyer on arrival of the goods, the goods are considered tendered to buyer on arrival. However, the goods are not accepted by buyer until after reasonable opportunity to inspect them and have them received.

8. Neither the buyer nor the seller may assign any rights arising under this contract.
9. The goods shall be manufactured in a good workmanlike manner, according to the specifications, of the best materials, and to the entire satisfaction of ADI American Distributors, LLC. If ADI American Distributors, LLC. is in good faith dissatisfied with the goods on delivery, goods may be rejected.

10. The seller shall bear the ***risk*** for damage to or destruction of the goods until delivered to the specified point of destination and product inspected.

11. ***Inspection*****:** The buyer reserves the right to inspect the goods before paying for them, without regard to the manner of shipment.

12. ***Shipping:*** Buyer is entitled to designate the time and manner of shipment. Buyer shall provide shipping instructions to the seller.

13. The seller expressly assumes the risk that the raw materials required by them in the manufacture of the goods to be delivered to the buyer under this contract may not be obtainable. The seller is not relieved from liability under this contract through inability to obtain raw materials at all or in sufficient quantity or insufficient quantity or insufficient time to deliver goods in accordance with this contract.

14. ***Flow Down:*** Acknowledgement of this Purchase Order ensures that quality inspections are conducted in accordance with ISO/AS9120B/AS9100 requirements. Acknowledgements to all purchase orders must be provided in 24 hours to Buyer.

Seller must flow down all ADI American Distributors, requirements, as specified on the Purchase Order, to all sellers' suppliers.

15.***Counterfiet Materials****:* (a) Seller warrants the goods delivered pursuant to this Subcontract, unless specifically stated otherwise in this Subcontract, shall (i) be new; (ii) be and only contain materials obtained directly from authorized sources (iii) not be or contain Counterfeit Items; (iv) contain only authentic, unaltered labels and other markings; (v) be free from defects in workmanship, materials, and design and conforms to all the specifications and requirements of this Subcontract. These warranties shall survive inspection, test, final acceptance and payment of goods and services.

16. The Seller shall notify the Buyer of ***nonconforming product*** and any changes in product and/or processes, changes of sub-tier suppliers or changes of manufacturing facility location. When required, notify Buyer to return product for immediate replacement or repair.

17. ***First Article****:* Manufacturers are required to perform First Article Inspections (FAI) in accordance with AS9102 Standard, when requested. FAI reports are to be kept on file at the supplier/manufacturer and must be readily available for review if requested.

18. The Seller herby certifies that product delivered on this Purchase Order, was purchased directly from the manufacturer or a manufacturer authorized source. If such product was purchased from an alternate source, not authorized to sell such product, the Seller must notify in writing and have written authorization of such purchase.

19. ***Warranty:*** Unless stated otherwise in the documents accompanying these terms and conditions,

Seller shall warrant all services against defects in performance for a period of one year following delivery. Seller further warrants that the services shall be performed to high professional standards reasonably expected of similar service providers in Buyer's geographic region.

20. ***Record Retention****:* The Seller must ensure a record retention policy of no less than 7 years and flow this requirement to their sub tiers.

21. The Seller must comply with ***Counterfeit Part Mitigation*** requirements under the scope of AS5553, DFARS 252.246-7007 and DFARS 252.246-7008. Additional flow downs incorporated herein are Specialty Metals and Anti-Slavery / Human trafficking provisions.

22. In the event of a conflict between these ***Terms and Conditions*** and other portions of the Subcontract, the order of precedence shall be: (a) any typed provisions on the face of Buyer's Subcontract, Purchase Order or Task Order, specifically modifying the terms of this Subcontract; (b) these Terms and Conditions; and, (c) any other provisions set forth in the Buyer's Subcontracts including any terms and conditions stated or referenced therein.

23. ***Severability***: Each clause, paragraph, and subparagraph of this subcontract is severable, and if one or more of them are declared invalid, the remaining provisions of this Subcontract will remain in full force and effect.

24. The review or approval by Buyer of any work pursuant to this Subcontract, or any designs, drawings, specifications, or other documents, shall not relieve Seller of any of its obligations under this Subcontract or any modifications issued thereto, nor excuse or constitute a waiver of any defects or non-conformities in any Goods or Services furnished pursuant to this purchase order.

25. ***Right of Access:*** right of access by our organization, customer and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain.

26. ***Certificate of Conformity:*** Seller must provide a C of C, test reports or authorized release certificate, as applicable.

27. ***Nonconformance:*** seller must notify the organization of any nonconforming processes, products or services and obtain approval for their disposition.

28. ***Special Processes:*** When applicable the seller shall use customer designated or approved external providers, including process sources

29. ***Change Notification:*** Seller shall notify the buyer of any changes of processes, products or services including changes of their external providers or location of manufacture.