

Terms & Conditions of this Purchase Order

By shipping against this Purchase Order, or any part thereof, Seller acknowledges and agrees to the following Terms and Conditions unless otherwise stated on the front of this Purchase Order:

- 1) All parts must be new, unused and in good condition. Refurbished parts, programmed parts, parts with bent, formed or oxidized leads, test dots or test markings will be rejected. All brokered parts must meet IDEA-STD-1010 inspection criteria.
- 2) All component products must be contained in packaging that is consistent with the original manufacturer's packaging.
- 3) When available, original manufacturer labels will be unaltered.
- 4) When available, OCM documentation including Certificate of Conformances and Test results concerning the parts shipped shall be included.
- 5) Unless otherwise stated on this Purchase Order, mixed date codes contained within individual reels, cut tape or tubes will not be accepted.
- 6) All parts supplied by Seller must meet original manufacturers' specifications for "fit, form and function" for a minimum of 60 days – otherwise Seller agrees to take parts back and issue a full refund to Flip Electronics. Flip Electronics reserves the right to return, for a full refund, any parts that fail electrical testing provided a third party test report accompanies the RMA. In the event the parts supplied from the seller to Flip Electronics on this purchase order become the subject of a legal or counterfeit issue, seller agrees to give Flip Electronics access to the seller's sub-tier supplier of the parts supplied in question. **There is no warranty time limit for counterfeit materials.**
- 7) Supplier agrees that it has a component inspection system in place that will be used in filling this Purchase Order to prevent the shipment of counterfeit / suspect parts to Flip Electronics and that persons performing these inspections are competent. This system may be reviewed by Flip Electronics with reasonable notification.
- 8) Seller has obtained or is working towards the achievement of an internationally recognized Quality Management System.
- 9) Seller agrees to notify Flip Electronics within 2 business days in the event that material that has been previously shipped has been found to be nonconforming.
- 10) Seller agrees to refrain from nonconforming product disposition of materials shipped without Flip Electronics' approval.
- 11) Seller confirms that people in their organization are aware of their contribution to product or service conformance, their impact on product safety, and the importance of ethical behavior.
- 12) No substitutions or changes allowed without prior written approval from Flip Electronics, including a change in the source of supply if this has been identified during the quoting phase of this transaction.
- 13) Flip Electronics reserves the right to cancel this order if the execution of this shipment does not conform to the quantities, delivery method or delivery date indicated on this Purchase Order.
- 14) This purchase order number must appear on all boxes, packing slips and invoices.
- 15) Seller agrees to ship all exported products with accurate and full values on all pro forma invoices and shipping / customs documentation. Undervalued invoices will not be accepted.
- 16) Seller agrees to abide by U.S. Customs laws regarding the handling of ITAR materials.
- 17) Seller agrees that they do not conduct any business with entities identified on the "Denied Persons List" published by the U.S. Department of Commerce, the "Denied Parties List" published by the Department of State and the "Specially Designated Nationals" list published by the Department of Treasury, Foreign Assets Control.
- 18) If this is a COD shipment, please provide the COD amount by fax or e-mail so that payment can be prepared in time.
- 19) Seller grants Flip Electronics, their customer and regulatory authorities, right of access to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
- 20) All records associated with this transaction will be maintained for a minimum of ten (10) years.
- 21) Seller agrees to flow down all of the requirements of this purchase order to sub-tier suppliers.

Counterfeit / Suspect / Fraudulent Parts Mitigation Policy:

Flip Electronics takes the issue of counterfeit components very seriously. As such, we reserve the right to seize and quarantine any / all suspected counterfeit products it received on this Purchase Order. Suspect counterfeit products may be forwarded to the IP holder, Original Component Manufacturer, and / or the appropriate Federal or State authorities for final analysis, possible confiscation and / or destruction. Flip Electronics also reserves the right to file a GIDEP alert or file a complaint with the ERAI against the supplier and/or parts. If products furnished by the Seller are determined to be counterfeit, Seller agrees to reimburse Flip Electronics the full purchase price paid as well as any shipping or 3rd party testing charges incurred.

Flip Electronics defines Suspect / Fraudulent / Counterfeit electronic parts as:

Suspect: A part in which there is an indication that it may have been misrepresented by the supplier or manufacturer and may meet the definition of fraudulent part or counterfeit part.

Fraudulent: Any suspect part misrepresented to the Customer as meeting the Customer's requirements.

Counterfeit: A fraudulent part that has been confirmed to be a copy, imitation, or substitute that has been represented, identified, or marked as genuine, and/or altered by a source without legal right with intent to mislead, deceive, or defraud.