

Forward Components' Terms and Conditions of Purchase:

1. Acceptance of this order is expressly limited to the terms and conditions of this order. This order may not be modified except in writing signed by an authorized representative of the buyer.
2. All products bought under this purchase order must be in new and unused condition, in the manufacturer's original sealed packaging unless otherwise expressly indicated in writing signed by an authorized representative of the buyer. The seller's written or electronic confirmation of this order or the shipment of any goods or commencement of services hereunder, shall constitute acceptance of this order.
3. Seller represents and warrants that the goods and services furnished are fully merchantable and fit for their intended purpose. All goods and services are subject to final inspection by the Buyer and payment shall not constitute acceptance.
4. Buyer must acknowledge in writing all non-cancelable, non-returnable material at the time of order placement and payment for non-cancelable, non-refundable material shall constitute the Buyer's only liability in the event this order is terminated. The provisions of this condition shall not apply to termination by Buyer for default of Seller.
5. Seller and its subcontractors shall maintain public liability insurance, in accordance with industry standards sufficient to cover the obligations set forth in the scope of this purchase order. Seller shall provide a certificate of insurance upon Buyer's request.
6. If Buyer commences an action against the Seller relating to this order, the Buyer in such an action shall be entitled to recover their attorney's fees and expenses from the selling party.
7. The Buyer shall provide all requested reference materials necessary to establish credit worthiness in an amount equal to the total dollar value of this order. The Seller, prior to the acceptance of the Buyer's purchase order, must grant credit approval for this transaction. All payments and costs pertaining to this order that are due past the payment conditions contained herein are not subject to any additional charges above and beyond the amount of this purchase order.
8. The Buyer shall provide upon request or have filed on record with the seller a valid re-sale certificate or the appropriate sales taxes will be added to the invoice amount.
9. If exported from the United State of America, any shipments pertaining to this order follow all Export Administration Regulations and diversion contrary to United States law is prohibited.
10. In the event of a conflict of terms and conditions contained between the Buyer's purchase order or the Seller's order form and the terms and conditions stated herein, the latter shall prevail.
11. If the product is returned to Seller under the terms of this purchase order, the Buyer reserves the right to collect from the seller, in addition to the cost of goods, all associated costs, including, but not limited to, shipping, insurance, and banking charges.
12. This Agreement is deemed entered into and performed within the State of California and shall be governed by the laws and jurisdiction of the State of California.
13. Supplier shall ensure that only new and authentic products are delivered to Forward Components. Supplier shall procure products from an original component manufacturer or from an authorized source with full traceability to the original component manufacturer. Supply of products that do not meet these requirements is not authorized by Forward Components unless first approved in writing by Forward Components.
14. Suppliers representing that they are authorized/franchised distributor covenants, warrants, and represents that they have contractual agreements in place with each original component manufacturer whose product(s) the supplier is selling to Forward Components. Supplier further warrants that products have been procured directly from the original component manufacturer and that it will not ship product to Forward Components from any other source without prior written consent from Forward Components.
15. Supplier shall maintain documentation pertinent to the processing and provisioning of this order and documentation of traceability or test and inspection of parts shipped under this order for a minimum of ten (10) years after completion of this order. After required document retention period, supplier shall either archive or destroy retained documents per supplier's internal policy. Forward Components, Forward Components' customers, and any relevant regulatory authorities shall have access to the applicable areas of all facilities, at any level of the supply chain that are involved in this order and have access to all applicable records upon request.
16. Supplier shall notify Forward Components of any product non-conformities and obtain Forward Components written approval prior to shipping or disposition and shall further notify Forward Components of any changes in product or process, changes in suppliers' product or process or manufacturing location and obtain written approval prior to shipment in such a case.
17. The supplier shall notify Forward Components in writing of any product under this purchase order that is, to the supplier's knowledge, obsolete or has an end-of-life date scheduled.
18. The supplier shall flow down terms and conditions encompassed herein to its suppliers and their supply chain as appropriate.
19. For non-COTS (commercial off-the-shelf) EEE items, suppliers must mitigate counterfeit risk per AS5553. For COTS EEE items, supplier must mitigate counterfeit risk per AS5553 or another industry-accepted standard for EEE parts when purchased from a non-traceable source. If supplier cannot meet this requirement, they must notify Forward Components in advance of any shipment.
20. Supplier shall maintain a method of item traceability that ensures tracking of the supply chain back to the original component manufacturer of all products procured under this order. Traceability documentation shall identify name and location of all supply chain intermediaries from the original component manufacturer to the direct source of the product for the supplier and shall include the original component manufacturer's batch identification for the product (including date codes, lot codes, serializations, or other batch identifications as appropriate). This traceability requirement applies to all products sold to Forward Components under this order. Should this traceability documentation be unavailable or cannot otherwise be provided, shipment is not authorized unless approved in writing by Forward Components in advance of any shipment.
21. The supplier shall have established and implemented test and inspection activities as required to ensure the verification of products purchased by Forward Components. Criteria for sampling and acceptance shall be approved by Forward Components. Supplier shall make available to Forward Components upon request any results of inspection and test, including documentation of results, and competency and qualification of persons performing test and inspection for the supplier. Forward Components may inquire as to supplier's test and inspection programs prior to order placement.
22. The supplier shall retain and provide copies of all available manufacturers' certificates of conformance for any products sold under this order. Manufacturer's certificates shall be unaltered and unredacted and include the manufacturer's name and address, the manufacturer's or Forward Components part number, any available identification including date codes, lot codes, serializations or other batch identifications as appropriate and a signature or stamp with the name and title of the supplier's authorized personnel. If the manufacturer's certificate is not available, the supplier shall provide a certificate signed and dated by the supplier that includes the text: "[Supplier] hereby attests that the parts provided under this purchase order are unused, unaltered and authentic and have not been salvaged, reclaimed, otherwise used, or previously rejected for any reason. This statement is

based on documented traceability to the original component manufacturer or upon test and inspections of the specific parts supplied that are designed to prevent the supply of counterfeit parts." This certificate shall include at a minimum the preceding text, the manufacturer's name, the supplier's name and address, the part number and available part identifications including date codes, lot codes, serializations or other batch identifications, the quantity of parts in the shipment, and the date, name, title, and signature of an authorized representative of the supplier.

23. The supplier shall maintain a quality management system that complies with either AS9100, AS9120, ISO9001 or an equivalent unless approved in advance in writing by Forward Components. The supplier shall provide a copy of their certification or registration or a copy of their quality system documentation to Forward Components upon request. The supplier shall notify Forward Components of any change or loss of certification or registration status or of and change to their quality management system. The supplier shall have, as part of its quality and/or operations a policy promoting employee awareness of ethical behavior, product safety, and employee contribution to product and service conformity.
24. Counterfeit products have no value. Any limitation of warranties or provisions contained in the supplier's terms and conditions of sale will be null and void if it is later determined that counterfeit parts or suspect counterfeit parts were received by Forward Components from the supplier. The supplier has the right to agree with or verify Forward Components' findings regarding counterfeit products shipped under this order at a supplier recognized test laboratory approved by Forward Components.
25. Any dispute between Forward Components and the supplier resolved in a civil proceeding whether in a court of law or in an arbitration, the appropriate burden of proof required for Forward Components to establish that the suspect parts are counterfeit shall be preponderance of the evidence, meaning that Forward Components must establish that it is more likely than not that the suspect parts are counterfeit. In any case where Forward Components is trying to establish fraud, Forward Components' burden of proof will be raised to a clear and convincing evidence standard. However, if for whatever reason, the issue of the authenticity of any suspect parts shipped under this order is considered during any criminal proceeding, then the burden of proof that the suspect parts are counterfeit shall be that the suspect parts are counterfeit beyond a reasonable doubt.
26. In the case of counterfeit parts shipped under this order, should the supplier accept Forward Components' finding and choose to immediately void the order, the suspect parts will not be returned to the supplier unless and/or until an independent test laboratory agreed to by both parties determines that the parts are not suspect counterfeit or counterfeit. Under these circumstances, Forward Components shall retain possession of the parts for a period at least as long as required by the statute of limitations under the laws of the State of California following the date upon which supplier receives notification from Forward Components that Forward Components is voiding this transaction. Once this period has expired, Forward Components shall have the absolute right to destroy the suspect parts.
27. If supplier exercises its right to have an independent test laboratory approved by both Forward Components and the supplier determine whether the suspect parts are counterfeit and this lab does verify that the parts in question are either suspect counterfeit or are counterfeit, the supplier must immediately issue a refund to Forward Components of all monies and consideration paid to supplier by Forward Components for this order and the supplier will be required to pay all of the charges issued by the testing laboratory for testing the parts in dispute. If the testing laboratory determines that the parts are not suspect counterfeit or counterfeit, then Forward Components will be responsible for paying all the charges issued by the testing laboratory for testing the parts in question.
28. The supplier agrees that, in the case that parts are sent to a mutually agreed upon testing laboratory for verification, that whether or not supplier has refunded all monies paid by Forward Components, Forward Components shall have the absolute right to reacquire possession of the subject parts from the testing laboratory. If the supplier notifies Forward Components in writing that it intends to pursue legal remedy from its supplier, either in civil or criminal proceedings, the supplier has the right to request and receive a mutually agreeable sample quantity of the parts sold under this order for pursuing its remedies. Upon completion of testing for this purpose, the sample parts will be returned to Forward Components.
29. The supplier agrees that Forward Components shall have the right to destroy the suspect parts after expiration of any applicable statute of limitations under the appropriate authorities having jurisdiction. Notwithstanding this, if supplier and Forward Components agree in writing that the parts can be destroyed immediately, the parts will be destroyed per that agreement, so long as all civil or criminal actions, in which the suspect parts are the subject of the action have been completed.
30. Forward Components monitors its supplier's performance based on on-time delivery and product quality. Suppliers are expected to maintain a minimum 95% on-time delivery rate and a quality score of 98% based upon a rate of non-conformance occurrences per orders delivered.