



# Dynasty Electronic Company, LLC

## PURCHASE TERMS AND CONDITIONS FOR DEC SUPPLIERS

DEC-F7410-002

These terms and conditions are incorporated by reference into all purchase orders (PO/POs) placed by Dynasty Electronic Company, LLC ("DEC" or "DEC, LLC"). All orders are subject to these terms and conditions.

1. **Acceptance.** Seller's commencement of work on the goods subject to this purchase order or shipment of such goods, whichever first occurs, shall be deemed as an effective mode of acceptance of DEC, LLC's offer to purchase contained in this purchase order. Any acceptance of this purchase order is limited to acceptance of the express terms of the offer contained in our PO. Supplier/vendor shall be deemed to have waived objection to any term and condition contained herein upon such acceptance. If this purchase order shall be deemed an acceptance of a prior offer by seller, such acceptance is limited to acceptance of the express terms contained herein. Any of seller's terms and conditions that are in addition to or different from those contained herein are objected to and shall be of no force or effect.  
By acceptance of this order the Seller agrees to comply with all applicable Federal Laws including the Civil Rights Act of 1964 and Executive Order 112461, 11375, and amendments thereto, section 503 of the Rehabilitation Act as amended, and 38 USG 2012 of the Vietnam Era Veterans Readjustment Assistance Act as amended. Seller also agrees to comply with the Fair Labor Standards Act of the Occupational Safety and Health Administration Act and All other applicable state, count, and local laws, ordinances, regulations, and codes (including the procurements of required permits and certificates and compliance with the small and minority business investment act known as Public Law 95-507) in Sellers performance hereunder.  
Whether or not Buyer provides a specification, if materials, services, or containers furnished by Seller are required to be constructed, packaged, labeled, or registered in a prescribed manner, Seller shall comply with the applicable federal, state, county, and local laws, ordinances, regulations, and codes. Seller further agrees to indemnify and hold Buyer and its customers harmless from any loss or damage that may be sustained by Buyer by reason of Sellers failure to do so.
2. **Delivery Terms.** All deliveries shall be made as FOB DEC, LLC. DEC, LLC shall not be obligated to accept early, late, partial, or excess deliveries.
3. **Payment Terms.** As communicated to vendor by DEC, LLC, payment terms are dependent on business climate and individual agreement between DEC, LLC and the vendor.
4. **Cancellation/Termination.** DEC, LLC reserves the right to cancel this purchase order in the event of default by Seller, without further obligation. DEC, LLC reserves the right to terminate this purchase order for its convenience. In the event of termination for convenience, DEC, LLC will reimburse Seller for sunk costs incurred during the performance of this purchase order, which cannot otherwise be recovered.
5. **Time of Performance.** Seller acknowledges that time is of the essence in satisfying the requirements of this purchase order. DEC, LLC may cancel this purchase order without further obligation should Seller fail to deliver within the delivery date specified on the face of this order. Seller and DEC, LLC may mutually agree to modify delivery dates. Such agreement will be evidenced as a change on the face of this order.
6. **Confidentiality.** Supplier will employ reasonable means to protect and keep confidential DEC, LLC information not generally known or made available and that supplier acquires knowledge of. This includes but is not limited to any of DEC, LLC's or its customer's designs, business plans, pricing information, etc.
7. **Assignment.** This purchase order may not be assigned without the prior written consent of DEC, LLC.
8. **Entire Agreement and Modifications.** This purchase order constitutes the entire agreement between DEC, LLC and Seller with respect to the subject matter hereof, and may not be amended by any trade usage or prior course of dealing between the parties. Any alterations to this purchase order including changes to the quantity, description, price and/or delivery date requirements set forth on the face of this order must be documented and approved by both parties in writing.
9. **Warranty.** Seller shall warranty its products are fit for a particular purpose. Seller's product(s) shall be free from defects in materials and workmanship. Seller shall warranty its product(s) for a period of twelve months from receipt. DEC, LLC shall reserve the right to return defective product, rather than replace, for a full refund of the purchase price and any applicable transportation charges.
10. **Indemnification.** Seller shall protect DEC, LLC against any and all liability arising out of or in connection to Seller's products or services. Seller will indemnify and hold DEC, LLC harmless against damages, liability, claims, losses, costs, and expenses arising out of or resulting from any defect in the goods or services provided and any act or omission of the seller, its agents, employees, or subcontractors.
11. **Patent Infringement.** Seller shall indemnify DEC, LLC, its officers, employees and agents against liability, including costs, for actual or alleged direct or contributory infringement of any U.S. or foreign patent, trademark or copyright arising out of this purchase order.
12. **Independent Contractor/Insurance.** Where Seller's employees, agents or assigns enter DEC, LLC's premises to perform work, such personnel are doing so as independent contractors. Seller is required to provide proof of general liability insurance with coverage of no less than \$1,000,000 per occurrence, including workers' compensation and comprehensive automobile liability coverage. Sellers insurance shall indicate DEC, LLC as the certificate holder/loss payee.
13. **Force Majeure.** Neither DEC, LLC nor Seller shall be responsible for acts outside of their control including but not limited to a strike, natural disaster, riot or other unanticipated event.
14. **Waiver.** DEC, LLC's waiver of any breach of any of the terms and conditions set forth herein or on the face of the purchase order, or the waiver of any right, shall not act as a waiver of any other breaches or rights.

15. **Price.** Seller warrants that the price being charged to DEC, LLC is at least as low as the price being charged to others for comparable goods in comparable quantities. The price specified on the face of this order is the price to be paid. Taxes, shipping, packaging or other charges may not be added unless specifically agreed to in writing by DEC, LLC.
16. **Inspection.** DEC, LLC reserves the rights to inspect, test, and reject the goods at any time, even after the goods have been received and paid for. DEC, LLC will return non-conforming and/or defective goods at Seller's expense. Seller is responsible for meeting the requirements of the purchase as stipulated in the purchase order. Seller will also provide any certificates not necessarily stated on the P.O. but are standard practice as applicable to the manufacturing specs such as IPC6012, including, (not limited to) applicable material certificates of compliance, MSDS documents and so forth.
17. **Process Change Notification.** Supplier shall notify DEC, LLC, in writing, of any changes to supplier's product and/or process that may have a potential impact on the quality of DEC, LLC's finished product, including but not limited to, changes in facilities, equipment and material suppliers.
18. **Right of Access.** When requested by DEC, LLC, its customer or a regulatory agency, and when provided with reasonable written notice, supplier shall grant right of access to facilities and applicable records pertaining to DEC, LLC's purchase orders.
19. **Remedies; Governing Law and Venue; Attorney's Fees.** All remedies are cumulative and any remedies stated are in addition to and do not exclude any remedies allowed by law. This agreement shall be construed and enforced under the laws of the State of California without regard to the conflict of laws principles of that State. Any litigation arising from this agreement shall be instituted in either State or Federal Court located within Orange County, California. In any legal action commenced to enforce the terms and conditions herein, the prevailing party shall be entitled to recover costs and expenses of such litigation, including, without limitation, its attorney's fees.
20. **AS9100D Clause 8.4.3 Flow Down Requirements.** Supplier will require all of its subcontractors and sub-tier suppliers to comply with DEC, LLC's requirements as outlined in the purchase order, these terms and conditions and other applicable documents. These include:
  - a. the processes, products, and services to be provided including the identification of relevant technical data (i.e. specifications, drawings, process requirements, work instructions). Refer to DEC, LLC's Purchase Order and / or the Acknowledgement provided by Supplier.
  - b. the approval of: products and services; methods, processes, and equipment; the release of products and services. Each shipment must be accompanied by one legible copy of a statement of conformance unless otherwise noted in the purchase order. A certificate of conformance (C of C), supplied with the shipment must provide at a minimum: supplier name, part number, purchase order number, quantity of parts, engineering revision, serial numbers (if applicable), and title and signature of authorized Supplier representative.
  - c. the Supplier's interactions with DEC, LLC. In addition to the other requirements recorded within this document, suppliers shall hold all information received from DEC, LLC in confidence and no third party request for information will be authorized unless approved, in writing, by DEC, LLC.
  - d. control and monitoring of Supplier's performance to be applied by DEC, LLC. DEC, LLC will score suppliers based on quality, delivery, and/or service. Suppliers will be issued corrective actions as warranted. Suppliers that fail to perform in these areas may receive further corrective actions and may be considered for probation or removal from DEC, LLC's Approved Supplier List.
  - e. verification or validation activities that DEC, LLC, or its customer, intends to perform at Supplier's premises. DEC, LLC and its customers reserve the right to perform verification and/or validation activities at the supplier's premises.
  - f. design and development control. Design and development control does not apply to DEC, LLC's suppliers.
  - g. special requirements, critical items, or key characteristics. As per the requirements of AS9100D the supplier is responsible for the validation, and periodic revalidation, of the ability to achieve planned results of the processes for production and service provision, where the resulting output cannot be verified by subsequent monitoring or measurement.
  - h. test, inspection, and verification (including production process verification). For calibration purchase orders, equipment must be calibrated using standards whose accuracies are traceable to the National Institute of Standards and Technology, the General Conference of Weights and Measures, or fundamental or natural physical constants. All provided calibration certifications must specifically state this traceability. Supplier will maintain a quality/inspection system that will ensure all goods and services conform to contract requirements whether manufactured or processed by supplier or procured from Sub-Tier Suppliers and that fully complies with the requirements of AS9100D.
  - i. the use of statistical techniques for product acceptance and related instructions for acceptance by DEC, LLC. The supplier performs 100% visual inspection, unless otherwise specified or agreed upon in writing by DEC, LLC.
  - j. the need to:
    - I. implement a quality management system. When specifically requested by DEC, LLC in writing, suppliers will maintain a quality system in compliance to recognized Quality Management Systems and/or approved by DEC, LLC.
    - II. use customer-designated or approved external providers, including process sources (i.e., special processes). When required by DEC, LLC or by DEC, LLC's customers, suppliers will use customer-specified sources.
    - III. notify DEC, LLC of nonconforming processes, products, or services and obtain approval for their disposition; DEC, LLC will not accept supplier product that does not meet engineering drawing and/or purchase order requirements. Supplier product discovered after shipment by the supplier to be nonconforming to any engineering drawing and/or purchase order requirement shall be immediately disclosed to DEC, LLC upon discovery, including but not limited to quantity shipped, date shipped, and the extent of the nonconformance. Suppliers that receive notification of nonconforming product shall take appropriate action to contain the nonconforming condition and prevent it from occurring again. The supplier will be notified if formal corrective action is required to be submitted to DEC, LLC. The response shall be submitted within 1 week of issue or a time frame agreed upon between DEC, LLC and the supplier.
    - IV. prevent the use of counterfeit parts (see 8.1.4). To prevent the purchase of counterfeit or suspect / unapproved products and to ensure product identification and traceability (and for other reasons), suppliers will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation as is appropriate. Material and part substitutions are not allowed.'

- V. notify DEC, LLC of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain DEC LLC's approval. Supplier will notify DEC, LLC of any change in ownership, management, or location and are subject to re-survey and approval. Supplier will notify DEC of any product or process changes or changes in approval status that affect DEC, LLC's product and are subject to re-survey and approval.
- VI. flow down to external providers applicable requirements including customer requirements. Suppliers shall flow-down to Sub-Tier Suppliers the applicable requirements as required by the purchase order either specifically or by reference.
- VII. provide test specimens for design approval, inspection/verification, investigation, or auditing. When requested by DEC, LLC or its customers, supplier will provide test specimens for inspection/verification, investigation and/or auditing purposes.
- VIII. retain documented information, including retention periods and disposition requirements. Unless otherwise specified on the purchase order, the latest specification revision in effect at the time the lot of raw material/parts was originally manufactured or processed shall apply. In the event a document has been superseded, the latest revision of the superseding document shall apply. All certifications, test reports, and inspection reports, as well as receiving inspection, in-process inspection, final inspection, and calibration records shall be retained for a minimum of seven (7) years, unless otherwise specified by DEC, LLC. These records will be made available to DEC, LLC, DEC, LLC's customers, or regulatory agency upon request and destroyed at the end of its retention period by shredding or other acceptable destruction method.
- IX. the right of access by DEC, LLC, DEC, LLC's customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain. DEC, LLC and DEC, LLC's customers reserve the right to perform an on-site inspection of the Supplier's facility or visit the facility. DEC, LLC will give reasonable notification to the Supplier prior to the on-site inspection. The on-site inspection may include surveillance of the Supplier's facilities, procedures, production methods, processes, and the Supplier's Quality System. The Supplier shall furnish, at no cost, the necessary data as required by applicable drawings, Purchase Order, specifications, and inspection instructions to facilitate the on-site inspection.
- X. ensuring that persons are aware of: their contribution to product or service conformity; their contribution to product safety; the importance of ethical behavior. Supplier must be committed to the highest standards of ethics and business conduct. Supplier must comply with the law, honor commitments, act in good faith, and be accountable. Supplier must strive to maintain full compliance with all laws and regulations applicable to the operation of the business and customer relationships. Supplier must not offer, promise, authorize, or provide, directly or indirectly, anything of value (including business gifts or courtesies) with the intent or effect of inducing anyone to engage in unfair business practices. Supplier will avoid involvement in activities that may be perceived as a conflict-of-interest. Supplier will respect the legitimate proprietary rights and intellectual property rights of customers and Suppliers and take proper care to protect sensitive information, including confidential, proprietary and personal information. Supplier will support product safety by ensuring robust management of special requirements, critical items and key characteristics. If there are concerns with respect to product safety, Supplier will communicate them to DEC, LLC. If there is a concern at the Supplier's premises with respect to safety during the manufacture of the product, Supplier will notify its own employees of the concern and whenever possible, mitigate the concern. Supplier will ensure that employees and people working on its behalf are aware of: Their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.

A copy of this document is published in PDF format at DEC, LLC's web site at [dec-assembly.com](http://dec-assembly.com)