



Terms and Conditions of Purchase

1. General Provisions

- 1.1. Kaelus Inc is a fully own subsidiary of Microdata Telecom Innovation Stockholm AB. All provision hereinafter may also be performed or conducted by Microdata Telecom Innovation Stockholm AB.
- 1.2. These Terms apply to the requests for offers, the formation, the contents of, and the compliance with any agreement and/or purchase contract in the performance of which goods are supplied to Kaelus Inc.
- 1.3. Acceptance of the Agreement. The Terms and Conditions shall be deemed an offer by Kaelus Inc. Seller accepts the T&C upon its written acceptance or upon commencement of any required work or service. Seller's acceptance shall be limited to the express written terms of the agreement. Seller agrees that the general terms of sale of the Seller shall not apply to any purchase contract – not even in addition to these terms, that the applicability of such general terms of sale is hereby expressly excluded.
- 1.4. Each party may have a need to disclose to the other party confidential information relating to its business and affairs ("Confidential Information"). Neither party will disclose Confidential Information of the other to any third party without the express written consent of the originating party, nor disclose or make use of any Confidential Information other than in the performance of this Agreement. Each party shall use at least the same degree of care to avoid disclosure of Confidential Information as it uses with respect to its own Confidential Information and will procure from any third party to whom Confidential Information is authorized an agreement containing provisions substantially similar to those set out in this Section. Either party may seek injunctive relief to enforce its rights under this Section.
- 1.5. Intellectual Property. Kaelus Inc remains the owner of confidential information and any drawings, models, patterns, tools, dies, jigs, specifications of delivery or other documents (collectively "intellectual property") that buyer provides. Without Kaelus Incs' written consent, such intellectual property may only be used for the purpose of the delivery of materials to Kaelus Inc. Kaelus Inc may request at any time that such intellectual property be returned.
- 1.6. The following shall be considered confidential information of Kaelus Inc: (i) any written specifications for the material and processing of the material; (ii) any other business or technical information, including without limitation, all oral or written information relating to the materials, or information relating to buyer's customers, suppliers, business practices, products, designs, inventions, or research and development; and (iii) the terms and conditions of the T&C.
- 1.7. All suppliers are required to complete the Kaelus Inc supplier survey form.
- 1.8. If any provision of this Agreement is determined to be invalid or unenforceable, the provision shall be deemed to be severable from the remainder of this Agreement and shall not cause the invalidity or unenforceability of the remainder of this Agreement.
- 1.9. All Brands owned by Kaelus Inc will be separately (but not jointly) liable for their respective obligations as Kaelus Inc under this Agreement.

2. Delivery

- 2.1. The ship date shall be the date designated by Kaelus Inc in a purchase order (designated as "promise date"), blanket release, or other writing. If the purchase order designates a "delivery by" date, then the seller is required to assign a ship date that ensures delivery to the required facility by the delivery by date. The parties agree that in the event the seller fails to ship any order for material on the required ship date, the buyer, in addition to other rights or remedies it may have, shall be entitled, at its option, to cancel the order/release for the material which was not timely shipped without any obligation or liability to seller and to purchase such material from a third party.



- 2.2. Delivery terms are referenced on the purchase order. If no other delivery terms are specified in the purchase order, the supplier shall deliver the material to Kaelus Inc Delivered Duty Paid (DDP).
- 2.3. Kaelus Inc accepts no liability for goods which have been delivered in excess of written purchase order or release and such goods can be returned, shipping charges collect, to the supplier at its expense.
- 2.4. If delivery is not completed pursuant to Kaelus Inc purchase order or delivery schedule, Kaelus Inc may take such actions as it deems necessary to meet schedules, including expedited shipping and routing at the Supplier's cost and expense. The supplier shall immediately report any event, occurred or anticipated which may reasonably affect shipping on time.
- 2.5. Order acknowledgement and confirmation of shipping dates are required for all purchase orders and shall be done within 2 business days.

3. Conformance

- 3.1. The Seller will deliver only goods that conform in all respects to the requirements described or referred to in the purchase order (and/or print) and are of the quantity, quality, and description required by the purchase contract.
- 3.2. The supplier shall maintain the proper identification and revision status specifications, drawings, process requirements, inspection/verification instructions, and other relevant technical data.
- 3.3. Kaelus Inc reserves the right to designate requirements for test specimens for design approval, inspection/verification, investigation or auditing.
- 3.4. Conforming goods are goods which satisfy each and every of the following (but not limited to):
 - 3.4.1. Are new and of new materials
 - 3.4.2. Are in conformity with the standard specifications, requirements, drawings, quality standards and agreements, or other information provided to supplier
 - 3.4.3. Comply with any national and/or international laws, legal rules, regulations, directives, and other governmental provisions regarding the goods and the products which do or shall contain the goods
 - 3.4.4. Do not breach and warranty contained hereunder or otherwise given by the supplier
 - 3.4.5. Are free of all liens, claims, encumbrances whatsoever
 - 3.4.6. Packaged and marked correctly
- 3.5. Kaelus Inc reserves the right of final approval of product, procedures, processes and equipment
- 3.6. Kaelus Inc reserves the right to review and approve the suppliers Quality Management System (QMS). Standard QMS requirements include:
 - 3.6.1. Suppliers providing special processing must maintain a system for validating processes and work must be performed by qualified personnel.
 - 3.6.2. Customer directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer noted
 - 3.6.3. Suppliers must notify Kaelus Inc in writing with any changes in certification status (including ISO 9001, AS9100, ISO17025, AS9120, TS16949, etc.).
- 3.7. Supplier shall immediately notify Kaelus Inc of any non-conformance and defects, discovered or anticipated, in goods which have been delivered. Supplier shall obtain Kaelus Inc express written approval for nonconforming product disposition.
- 3.8. Supplier shall notify Kaelus Inc in writing and receive express written approval prior to introduction or implementation of any changes in product and/or process, changes to suppliers, or changes of manufacturing locations.
- 3.9. Nothing contained in the purchase contract shall relieve the supplier's obligation of testing, inspection, and quality control.
- 3.10. Kaelus Inc reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items, including key characteristics.



- 3.11. SURVEILLANCE/CUSTOMER RIGHT OF ENTRY – Kaelus Inc, customers, and regulatory agencies, reserve the right to conduct inspection and surveillance of the suppliers’ procedures, facilities, and products during reasonable business hours. The right of entry provides Kaelus Inc, it’s customers, and regulatory agencies to determine and verify the quality, records, and material at any place, including the plant of the subcontractor. Customer verification of product is not to be used as evidence of effective supplier quality control and does not absolve the requirement for conforming product or preclude subsequent rejection by the customer.
- 3.12. Seller agrees to participate in all Kaelus Inc quality and development programs and implement recommended outcomes.
- 3.13. Seller agrees and shall ensure that Counterfeit Work is not delivered to Kaelus Inc. Certificate of Conformance and Traceability (CoCT) may be required by CERTAIN MILITARY SPECIFICATIONS intended for use in aviation, space and defense applications.
- 3.14. Seller shall immediately notify Kaelus Inc with the pertinent facts if Seller becomes aware or suspects that it has furnished Counterfeit Work. When requested by Kaelus Inc, Seller shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

4. Price and Payment

- 4.1. Payments for goods will in no event be due before invoice with details of goods itemized and specified in accordance with instructions. Supplier shall not invoice prior to delivery. Seller shall invoice buyer upon shipment of the order.
- 4.2. Kaelus Inc shall make payment for conforming material at the price and payment terms stated in the purchase order. Unless otherwise stated, all payments are in US Dollars and include all storage, handling, packing, taxes, and any other charge.
- 4.3. Supplier expressly assumes the risk of any event or cause (whether or not foreseen) affecting such prices, including any foreign exchange rate changes, increases in raw material costs, inflation, increases in labor, and other manufacturing costs.

5. Force Majeure

- 5.1. Neither party shall be liable for failure to perform or delay in performance hereunder if such failure or delay is due to fire, storm, flood, war, embargo, or any act of God or other cause or contingency beyond such party’s reasonable control; provided that, if any act or event described in this section prevents or will prevent the seller from performing its obligations under the T&C, the buyer shall have the right, without obligation or liability to seller to purchase material from another supplier until seller is able to resume performance of its obligations.

6. Warranty

- 6.1. The seller warrants that the materials:
 - 6.1.1. Will conform to drawings, materials, descriptions, and specifications designated by Kaelus Inc and with all samples approved.
 - 6.1.2. Will be of merchantable quality and fit and sufficient for the particular purposes intended, new, best available technology, safe, of first-class materials and workmanship and free from defects, contamination.
 - 6.1.3. Will be marked to specifications and requirements.
 - 6.1.4. Shall handle and package product to preclude damage during processing and shipping. If material is received in a damaged condition, it will be treated as nonconforming material.
 - 6.1.5. Will not infringe any patents, copyrights, or other proprietary rights.
 - 6.1.6. Will be free from all liens and encumbrances.



- 6.2. The seller commits that upon any breach of above warranty stated in 6.1, the seller will be liable for up to and including:
 - 6.2.1. The costs of repair, modification, cover or replacement of these goods
 - 6.2.2. All loss, damage, costs, and expenses arising therein
 - 6.2.3. All incidental, strict, and consequential damages arising therein
 - 6.2.4. All liabilities, damages, charges, costs, and expenses that Kaelus Inc is required to pay or perform to or on behalf of any direct or indirect customer.
- 6.3. The Warranty period shall be the longest of: four years from the date Kaelus Inc accepts the materials, the warranty period provided by applicable law, or the warranty period offered by Kaelus Inc or its customer to end-users for the products into which the materials are incorporated.

7. Compliance

- 7.1. Supplier agrees that:
 - 7.1.1. In the manufacture and sale of goods to Kaelus Inc, supplier shall comply with all applicable federal, state, and local laws, orders, conventions, standards and regulations of all jurisdictions, including all countries of origin or delivery, ("Laws") relating to the goods, their manufacture, use, sale, importation, exportation, labeling, or otherwise, including without limitation, any laws relating to equal employment opportunity, veterans rights and jobs listing provisions, child labor, wages and hours, affirmative action, and all laws and regulations relating to occupational safety and health.
 - 7.1.2. The goods sold by supplier shall conform to the requirements of all laws
 - 7.1.3. The purchase contract shall be deemed to incorporate by reference all the clauses required by the provisions of said laws, orders and regulations binding upon supplier.
 - 7.1.4. All materials used in manufacturing shall satisfy current government and safety constraints on restricted, toxic and hazardous materials, as well as environmental, electrical, and electromagnetic considerations applicable to the country of manufacture and sale.
 - 7.1.5. Supplier shall have a process to assure that governmental and safety constraints on restricted, toxic, and hazardous substances are complied with relative to the goods, the manufacturing process, and sub suppliers.
- 7.2. For seller's goods to be imported into the United States, seller shall comply with all applicable recommendations or requirements of the United States Bureau of Customs and Border protection's Customer-Trade Partnership Against Terrorism (C-TPAT) initiative. At Kaelus Inc or the Bureau of Customs and Border Protection's request, seller shall certify in writing its compliance with the forgoing. Seller shall indemnify and hold Kaelus Inc harmless from and against any liability, claims, demands, or expenses arising from or relating to seller's noncompliance.
- 7.3. Trademark Protection: Kaelus Inc may require seller to place trademarks (MARKS) on material purchased. If such a request is made, Kaelus Inc grants to seller a limited, revocable, nonexclusive royalty free license for the term of the T&C to use the MARKS on products and packaging for materials in connection with the sale of material to Kaelus Inc only.
- 7.4. All suppliers providing calibration services must be certified to ISO17025 (or equivalent). All calibration certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).
- 7.5. All suppliers are required to maintain appropriate record retention related to the product for a minimum of 3 years.
- 7.6. Kaelus Inc may have key characteristics, special quality, material, process or other controls imposed on this Purchase Order. Seller shall flow down these requirements to any and all subcontractors.
- 7.7. Products supplied on this purchase order shall be compliant with EC 1907/2006 and all subsequent revisions and amendments unless otherwise approved in writing. No products or their components may exceed the designated thresholds for the substances of very high concern (SVHC) as contained in ECHA



Annex 1. Supplier shall identify the status of REACH compliance for each product delivered within a periodically requested certification.

- 7.8. Products supplied on this purchase order shall be compliant with the EU2011/65/EU Directive on RoHS banned substances and all subsequent revisions and amendments unless otherwise approved in writing. No products or their components may exceed the designated thresholds for Cadmium, Hexavalent chromium, lead, mercury, Polybrominated biphenyls (PBB) and Polybrominated diphenyls ether (PBDE). Supplier shall identify the status of RoHS compliance for each product delivered within a periodically requested certification.
 - 7.9. Supplier shall maintain appropriate manufacturing and handling processes in accordance with ANSI ESD S20.20 for all items delivered on this purchase order which are susceptible to damage from electrostatic discharge (ESD). All ESD sensitive products shall be manufactured and packaged or wrapped in ESD protective containers or bags. Each bag shall be marked with an ESD warning label.
 - 7.10. Products supplied on this purchase order shall be compliant with the US Financial Reform Law of 2010 section 1502 requiring companies to disclose the use of certain metals originating from the Democratic Republic of the Congo and any adjoining country and all subsequent revisions and amendments unless otherwise approved in writing. Suppliers are required to notify in writing if they are engaged in procuring any Tin (CAS#7440-31-5), Tantalum (CAS#7440-25-7), Tungsten (CAS#7440-33-7) or Gold (CAS#7440-57-5) from the Democratic Republic of the Congo and/or any adjoining countries. Supplier shall identify the status of Conflict Materials compliance within a periodically requested certification including a comprehensive list of smelters used by the supplier and anywhere within the supplier's supply chain.
 - 7.11. Suppliers must implement a fraudulent/counterfeit Electrical, Electronic, and Electromechanical (EEE) parts control plan that documents its processes used for avoidance, detection, risk mitigation, disposition, and reporting of suspect or confirmed fraudulent/counterfeit EEE parts and/or assemblies. Suppliers must certify compliance with either SAE Aerospace Standard AS5553 or similar standard or internal procedure that describes the plan in detail. Suppliers may be asked to provide a copy of the plan and supporting data to confirm compliance.
- 8. Indemnity**
- 8.1. Supplier will defend or, at its option, settle, any claim, action or proceeding brought against Kaelus based upon a claim that Products infringe, violate, or misappropriate a United States or foreign copyright, patent, or trade secret, and shall indemnify and hold Kaelus Inc harmless from and against all claims, damages and costs finally awarded by a court of competent jurisdiction against Kaelus Inc in any such action or proceeding. Kaelus Inc shall (i) promptly notify Supplier of any such claim in writing, (ii) give Supplier sole control of defense of such claim and all negotiations for the compromise or settlement thereof, and (iii) provide Supplier with all reasonable cooperation, information and assistance in connection with the claim unless their handling of the claim puts Kaelus Inc at risk.
 - 8.2. Supplier shall have no liability for an infringement claim to the extent based upon (a) a combination of Products with other products not furnished by Supplier, or (b) any addition to or modification of Products by any person other than Supplier. If Products or any parts become or, in Supplier's opinion are likely to become, the subject of a valid claim of infringement or the like, Supplier shall have the right, at its option and expense, to (i) obtain for Kaelus Inc a license permitting continued use of Products or such parts, (ii) replace or modify Products or parts so that they become non-infringing, or (iii) refund the amount paid by Kaelus Inc for Products or infringing parts. Supplier shall have no liability for any costs incurred or settlement entered into without its prior written consent.
 - 8.3. Each of Kaelus Inc and Supplier agree to indemnify and hold the other party, and their respective officers, directors, employees, successors, and assigns harmless against all losses, damages, or expenses of whatever form or nature, including attorneys' fees and other costs of legal defense, whether direct or indirect, that the indemnified party may sustain or incur as a result of any acts or omissions of the indemnifying party, arising out of or in connection with third-party claims including, but not limited to, (i) trademarks and other



intellectual property of the indemnifying party supplied hereunder that infringe any patent or valid copyright of a third party, (ii) breach of any of the provisions of this Agreement by the indemnifying party, (iii) negligence or other tortious conduct by the indemnifying party, (iv) breach of the indemnifying party's representations or warranties, or (v) violation by the indemnifying party of any applicable law or regulation. The indemnified party shall (a) promptly notify such indemnifying party of any claim in writing, (b) give such indemnifying party sole control of defense of such claim and all negotiations for the compromise or settlement thereof, and (c) provide such indemnifying party with all reasonable cooperation, information and assistance in connection with the claim.

8.4. EXCEPT AS SET FORTH IN SECTION 6, THE PROVISIONS OF THIS SECTION 8 STATE THE EXCLUSIVE LIABILITY OF THE PARTIES WITH RESPECT TO ANY CLAIM OF INFRINGEMENT OF PRODUCTS OR USE THEREOF, AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTY OF NON-INFRINGEMENT, AND INDEMNITIES WITH RESPECT THERETO.

9. Quality Clause – Applicable only when specified on purchase order

Q1 – A Certificate of Conformance (C of C) shall accompany each shipment which includes a statement that product provided meets all purchase order requirements: The C of C shall contain: The supplier name, authorizing signature with title, date, purchase order number, part number, and quantity, applicable material and ASTM callout, supplier lot number.

Q2 – First Article Inspection Requirement – The seller shall furnish a documented first article per AS9102 produced on production equipment and using processes that will be used on production components. First article shall be identified as such; inspection will be performed at seller's facility. First article reports are required under the following conditions:

1. When making a process change, supplier change, or sub-tier supplier change
2. Following refurbishment or rearrangement of existing tooling or equipment
3. When changes are made to existing products that affect fit, form, or function
4. When requested

Q3 – Test Report – This shipment must be accompanied by one (1) copy of actual test results identifiable with test parameter and product submitted. The report must contain the Test/Inspector stamp of the individual performing the test.

Q4 – Solderability – All parts and materials supplied on this purchase order shall comply with the requirements specified in J-STD-002 current revision.

Q5 – SDS – The supplier shall submit a Safety Data Sheet with each shipment on this purchase order.

Q6 – Coloring of product must remain consistent from lot to lot.

Q7 – Record Retention & Rights of Access - The Seller shall retain and maintain quality records pertaining to the purchase for a minimum of seven (7) years unless otherwise specified on the purchase order.

Q8 – Time (and temperature) sensitive material – Shelf life information is required. Supplier shall submit a Certificate of Conformance or label the containers with the manufacturer's name, type of material, date of manufacture, and shelf life. All materials received shall have a minimum of 80% of its original shelf life remaining upon receipt at Kaelus Inc unless otherwise stated on the purchase order.



Q9 – Packaging – Unless otherwise specified in the specification, drawing, or purchase order, items must be packaged per standard commercial methods to preclude damage during shipment.

Q10 – National Defense Order (15 CFR 350) – This is a rated order for national defense use and the seller is required to follow all the provisions of the Defense Priorities and Allocations System Regulation (15 CFR 350).

Q11 – Domestic Material – Raw material must be procured from a source within the United States of America. Certifications of this material must state the location of raw material source.