



PURCHASE ORDER TERMS & CONDITIONS

1. QUALITY CONTROL SYSTEM

Suppliers providing product are responsible for maintaining Quality Systems that are compliant to applicable Nexgen Digital Quality System Requirements. Suppliers shall be third-party registered and receive period audits. If required and at no cost to Nexgen Digital, Supplier will provide one (1) copy of their written procedure. Alternative Quality System Standards which do not meet the requirements must be approved by Nexgen Digital. Nexgen Digital's preferred Quality Systems per applicable fields are as follows:

AS/EN/JISQ 9100
AS9003
ISO 17025
AS/EN/JISQ 9120
ISO 9001:2008
MIL-Q-9858
AS6081 AS5553

2. QUALITY ASSURANCE & INSPECTION PLAN

Supplier will maintain a Quality Assurance and Inspection Plan that will adequately ensure the quality of materials and/or services as specified on the Purchase Order. Nexgen Digital follows and requires applicable IPC/JEDEC and/or Mil Standards.

3. SAMPLING INSPECTION OR TEST UPON RECEIPT

Upon receipt, items supplied on this Purchase Order shall be subject to a sample inspection using an approved sampling plan. Should the sample fail to pass the sampling criteria, the lot shall be rejected, or may as conditions dictate, upon re-inspection, re-sampling failures be rejected.

4. QUALITATIVE CERTIFICATIONS

If stated on Purchase Order, Purchased Material must have Original Manufacturer Certificate of Conformance. Each certificate must reflect the Nexgen Digital Purchase Order number, Purchase Order Item number, and be certified to applicable specifications: as well as the materials covered by the certification, the quantity, date code, origin and serial number if applicable.

5. PRESERVATION OF PRODUCT

All material identified on the Purchase Order shall be handled, stored, packaged and shipped in such a manner as to preclude damage. Electrostatic protection process (ANSI/ESD Association and all applicable JEDEC standards) and Foreign Object Debris prevention programs shall be in place to ensure highest quality of product compliance. In the event that items on this Purchase Order include materials that are subject to shelf-life deterioration, the Supplier will identify materials and certification with cure dates and assembly dates or shelf-life expiration date (or both) as applicable.

6. RIGHT OF ENTRY

The Buyer, Buyer's customer, and cognizant government agencies shall have the right to visit the Seller's facilities to inspect products, witness inspections and tests, and to evaluate the quality/inspection system(s). This right shall also extend to the Seller's Subcontractors. Seller shall be notified within a reasonable amount of time by the Buyer to host such events.

7. RECORDS

Records shall be established and maintained as evidence of conformity to requirement and the effective operation of the quality management system. Records shall be available for review by customers and regulatory authorities in accordance with contract or regulatory requirements. Unless otherwise indicated, the Seller shall retain records for duration of ten (10) years.

8. CHANGES IN FACILITY OR QUALITY MANAGEMENT SYSTEMS

The Seller shall notify the Buyer in writing of any change in management/ownership, facility relocation, significant sales expansion or reduction, or any changes to Seller's product, manufacturing processes or quality management system that could affect the Seller's ability to meet the requirements of this specification.

The Seller shall notify the Buyer in writing of any non conforming product previously shipped to Nexgen Digital, Inc as a part of their recall program. The Seller shall also notify the Buyer of any non conforming product prior to shipping to Nexgen Digital, Inc and wait for approval.

9. TRACEABILITY

The Seller shall a documented process to assure materials provided maintain a unique part number. All materials must be identifiable to the lot number, manufacturer specification and date code and must be traceable to acceptable records.

10. CALIBRATION SYSTEM

Supplier will maintain a calibration system that complies with preferred standards and may be subject to verification at unscheduled internals.

11. NOTICE OF DESCREPANT MATERIAL

The Seller shall notify the Buyer when the Seller determines that previously shipped product is noncompliant.

12. COMPLIANCE WITH LAWS

Seller shall comply with all applicable federal, state and local laws, Rules, regulations and orders in effect on the date of this order.

13. INTERPRETATION OF PURCHASE ORDER

This Purchase Order and any documents incorporated by reference or attached constitute the parties' complete agreement. No prior representations or agreements, either verbal or written, subject to the specific terms and conditions stated herein, upon Seller's acceptance by acknowledgement or commencement of work. This Purchase Order contains the entire agreement of the parties and expressly limits acceptance to the terms and conditions stated. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions hereof are objected to and void unless agreed to in writing by the Buyer.

14. ACCEPTANCE OF PURCHASE ORDER

This Purchase Order supersedes all previous written or verbal representations and agreements between the parties with respect to the subject matter hereof and becomes a binding agreement, subject to the specific terms and conditions stated herein, upon Seller's acceptance by acknowledgement or commencement of work. This Purchase Order contains the entire agreement of the parties and expressly limits acceptance to the terms and conditions stated. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions hereof are objected to and void unless agreed to in writing by the Buyer.

15. ASSIGNMENT/SUBCONTRACTING

Seller shall not assign this Purchase Order, or any rights to interest or payment, or the performance of any of its duties under this order without prior written consent of Buyer. Except for standard commercial items, raw materials, or other supplies identified in Seller's proposal as procured from others, Seller shall not subcontract the complete or any substantial portion of the work without the prior written consent of the Buyer. Any attempted or purported assignment/ subcontracting by Seller without Buyer's prior written consent shall be void and not binding upon Buyer.

Supplier is responsible to ensure all its value added suppliers/subcontractors conform to same quality system requirements. Suppliers shall verify their value added supplier quality systems are audited by site audit, third party registration, or desk audit.

16. PATENT, COPYRIGHT, TRADEMARK INDEMNITY & PROPRIETARY RIGHTS

Seller agrees to indemnify, defend, and hold harmless Buyer, its customer, and those for whom Buyer may act as agent, from any costs, expenses, damages, or liability that Buyer may incur as a result of any proceedings charging infringement of any patent, copyright, or trademark by reason of sale or use of any supplies/serviced/data furnished by Seller. Seller shall have no liability regarding alleged patent infringement for supplies furnished to Buyer in accordance with Buyer's design specifications. Unless otherwise agreed, all information exchanged during, before and after, be considered and kept confidential by the Seller, and the Seller will use and cause its employees and agents to use extreme caution not to disclose any such information either directly or by incorporation in, with others.

17. WARRANTY OF SUPPLIES/SERVICES

Seller warrants that all supplies/services furnished under this Purchase Order shall conform to the Buyer's drawings, specifications, or other description and will be of good material and workmanship and free of defects. Seller further warrants that the supplies/services will meet Seller's published specification and standards, will be new (unused or reconditioned), merchantable and suitable for the purpose intended. These warranties shall survive inspection, acceptance, and payment. Supplies/services that do not conform to the above warranties may, at any time within hundred-eighty (180) days after delivery to Buyer, be rejected to Seller, at Seller's expense, for full refund.

18. PACKAGING AND SHIPPING

Seller shall be responsible for properly packing the supplies in suitable containers for protection during shipment in accordance with transportation regulations and good commercial practice. Seller shall label each package with the corresponding Purchase Order number. Seller shall prepare an itemized packing list bearing the Purchase Order Number, description of items, part number, and quantity shipped for each package. One copy of the packing list shall be placed in shipping container and one copy shall accompany Seller's invoice. Only Purchase Order specified methods will be accepted.

19. PUBLIC RELEASE OF INFORMATION

No public release of information, news release, announcement, advertisement, denial or confirmation of this order or the subject matter hereof, shall be made without Buyer's prior written approval.

20. INSURANCE

Seller shall maintain insurance in at least the following amounts: (a) Comprehensive General Liability: \$250,000 minimum per person and \$500,000 minimum per accident for bodily injury, and \$100,000 property damage; (b) Automobile Insurance: \$250,000 per person and \$500,000 per accident for bodily injury and \$100,000 per accident for property damage; (c) Standard Workmen's Compensation and Employer's Liability Insurance: in the minimum amount of \$100,000, or such greater amount as may be proper under applicable state or federal statutes. If any of the work is to be performed on Buyer's or Buyer's customer's premises, Seller shall, if so requested, furnish Buyer certificates of such insurance prior to commencement of work. Upon Seller's failure thereof, Buyer may obtain, at Seller's expense, the insurance coverage required for such compliance. Seller also agrees to provide insurance for all Buyers' property in Seller's possession against loss or damage resulting for fire or theft, including extended coverage, malicious mischief and vandalism. Buyer shall be given at least ten (10) days advance written notice of cancellation of any such insurance.

21. TITLE AND RISK OF LOSS

Unless otherwise provided in this Purchase Order, the F.O.B. point shall be the delivery destination indicated in this order, and title to the supplies and risk of loss or damage shall pass to Buyer upon Buyer's acceptance of the supplies regardless of where Buyer takes physical possession.

22. LIMITATION OF LIABILITY

The Buyer's liability to Seller hereunder shall not, under any circumstances, be greater than the total dollar amount of the order indicated herein.

23. ANTI-KICKBACK ACT

The giving or receiving of kickbacks is absolutely prohibited. Seller warrants that neither it nor any of its employees, agents or representatives have offered or given any gratuities to Buyer's employees, agents or representatives for the purpose of securing favorable treatment under this contract.