

Standard Terms and Conditions for Suppliers

Scope - The purchase order, including referenced drawings and/or specifications become the exclusive agreement between RTD Embedded Technologies, Inc. (RTD) and the supplier for the procurement of product and/or services and are subject to the terms and conditions contained herein. Failure to comply with these terms and conditions may result in rejection of material supplied.

Buyer's Authorized Representative – RTD's authorized purchasing representative is the individual authorized to administer and/or execute the purchase order, make contractual commitments, provide contractual direction, and to change contractual requirements as defined in the purchase order. RTD's engineering, technical personnel and other representatives may render assistance or give technical advice, discuss or effect an exchange of information with the supplier's personnel concerning supplies and services being provided under the purchase order; however, no changes arising from such actions shall be deemed to be authorized unless done so in writing and approved by RTD's purchasing representative.

Counterfeit Parts – The supplier shall have an effective system in place to detect and prevent the furnishing of counterfeit products, including used products. Distributors/Resellers shall only supply new products purchased from the Original Component Manufacturer (OCM), Original Equipment Manufacturer (OEM), OCM/OEM authorized/franchised distributor chain or reseller, or authorized aftermarket manufacturer. Records shall be maintained and shall provide traceability back to the original manufacturer.

Conflict Minerals - Supplier represents, warrants and covenants that, to Supplier's knowledge after reasonable investigation, the goods are, and upon delivery will be, DRC Conflict Free (as such term is defined in the US Securities Exchange Act of 1934, as amended by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the related rules and regulations of the US Securities and Exchange Commission). Supplier shall promptly notify RTD in writing in the event that Supplier is or becomes aware of any reason to believe that the goods are not DRC Conflict Free. To the extent Supplier procures gold, tin, tantalum and/or tungsten from a smelter or refiner for incorporation into the goods, Supplier represents, warrants and covenants that such materials shall be procured solely from one or more of the smelters or refiners appearing on the applicable compliant smelter and refiner list available at www.conflictreesmelter.org.

Inspection and Test – When specified or referenced on the purchase order, and to the extent applicable, when inspection and test are performed by the supplier, the supplier shall maintain an inspection and test system which ensures that product and services delivered to RTD conform to purchase order requirements whether manufactured by the supplier or procured from his subcontractors or suppliers. The system shall include, as necessary, incoming, in process, final inspection and/or test functions to detect nonconforming product. The supplier shall maintain a positive system for identifying the inspection status by means of stamps, tags, routing cards, move tickets, etc. Inspections and tests performed on a sampling basis for product acceptance shall be based on valid statistical techniques.

Documentation Records – When applicable, adequate records of inspections and tests shall be maintained through the use of tags, data sheets, etc. Test results must be recorded and kept on file for a minimum of 5 years. Actual inspection readings shall be recorded and copies shall accompany the shipment when specified or referenced by the purchase order.

Drawings/Specifications - The supplier's inspection system shall ensure that applicable drawings and specifications revision referenced by the purchase order, as well as authorized changes thereto, are used for fabrication, inspection, and testing operations.

Measuring and Test Equipment – To the extent applicable, when specified inspections and/or tests are performed, the supplier shall maintain inspection/test equipment necessary to ensure conformance with purchase order provisions. Calibration of inspection and test equipment shall be controlled and sufficiently documented to assure an up-to-date status. Accuracy of such equipment must be traceable to the National Institute of Standards and Technology (NIST) or other acceptable natural or industry standards.

Handling/Storage/Marking/Shipping – The supplier shall ensure that product delivered to RTD is handled, stored, packaged, and shipped in a manner that precludes hidden or visible damage and ensures the reliability and integrity of the products ordered. For items which are sensitive to electrostatic discharge, the supplier's quality system shall provide for the safe handling of such items and for packaging in a manner which precludes damage due to electrostatic discharge. Static sensitive devices must be identified with static sensitive warning labels. Material having characteristics susceptible to age degradation must be marked with the date that useful life will be expended. Shelf life materials shall not be shipped to RTD if more than 25% of the useful life has expired.

Performance Requirements – RTD monitors the supplier delivery and quality performance over time. Suppliers are expected to deliver products/services on time in accordance with dates agreed to on the purchase order. RTD may require cause and corrective/preventive action for quality nonconformance or persistent lateness. If additional information is desired, please contact our Quality Department Manager.

Ethical Standards – Suppliers are expected to ensure that persons within their organization involved with satisfying RTD's requirements are aware of their contribution to product/service conformity, their contribution to product safety, and the importance of ethical behavior.

Nonconforming Materials – The supplier shall establish and maintain an effective and positive system for identifying, segregating and controlling nonconforming or defective material, or material which cannot be reprocessed to achieve conformance. Shipment of nonconforming product is strictly prohibited for delivery to RTD. In the event that the supplier wishes to offer nonconforming product for delivery, RTD shall be notified and written approval of nonconforming product disposition must be granted prior to delivery.

Change Notification – The supplier shall notify RTD's purchasing representative, prior to order acceptance, of changes in product and/or processes, changes of suppliers, manufacturing facility location, or the supplier's quality management system, which may significantly affect the fit, form, function, use, service life or reliability of products procured by RTD.

Right of Access – When deemed necessary by RTD, the supplier shall, with reasonable pre-arrangement, grant RTD, RTD's customer and any applicable regulatory authorities, right of access to applicable areas of the supplier's facilities and all applicable records, for the purpose of inspecting and/or testing of products related to the requirements of the purchase order.

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Certificate of Compliance – When specified or referenced by the purchase order, the supplier shall prepare and deliver with the goods shipped, a certificate of compliance for products/services procured by RTD which certifies that delivered products/services meet all applicable requirements specified or referenced by the purchase order agreement. In addition, the C of C shall include as a minimum, RTD purchase order number, item identification, quantity, serialization (if required), and signature of the individual authorized to certify compliance.

Flow Down Requirements – If the supplier utilizes a sub-tier supplier for any part of the purchase order, the supplier shall flow down all relevant purchase order requirements to its sub-tier suppliers, including any key characteristics where applicable. The supplier's sub-tier suppliers are responsible to comply with the same specifications and requirements specified on the purchase order.
