



[SPECIAL TERMS AND CONDITIONS OF PURCHASE
UNITED STATES AND DEFENSE ORDERS]

document

BMS REFERENCE:
D5-D-003
REVISION: 1
DATE: 05/14/2018

These Special Terms and Conditions of Purchase for United States ("U.S.") Orders supplement Orolia's General Terms and Conditions of Purchase. In case of discrepancy, these Special Terms and Conditions of Purchase for U.S. Orders prevail over the General Terms and Conditions of Purchase.

1. LEAD-FREE – Supplier shall notify Buyer if goods contain lead-free finish or lead-free solders.

2. C-TPAT – Supplier shall be certified for C-TPAT or alternatively has implemented core provisions substantially similar to the C-TPAT program within its business and operational processes. Supplier commits to maintaining these or substantially equivalent processes and agrees to comply with reasonable requests for information and/or completion of a questionnaire regarding its supply chain security practices.

3. RESTRICTION OF HAZARDOUS SUBSTANCES ("RoHS") – Supplier is and remains fully responsible for compliance at its sole cost with any and all applicable RoHS rules and regulations ("RoHS Legislations") including but not limited to EU Directive 2011/65/EU as of 08 June 2011, the Chinese Administrative Measures on the Control of Pollution Caused by Electronic Information Products as of 28 February 2006, and all subsequent releases, all as amended, varied or otherwise restated from time to time, as well as all national or local regulations issued in connection with the aforesaid RoHS Legislations. All Products must be suitable and fit for RoHS compliant production and sale. Supplier will complete and sign Buyer's standard Declaration of RoHS Compliance at the part number level, use appropriate systems and processes to ensure the accuracy of these determinations and maintain appropriate records to allow traceability of all Products.

4. OTHER PRODUCT-RELATED LEGISLATION – Supplier is and remains fully responsible for compliance at its sole cost with any applicable product-related environmental legislation including all applicable national implementing legislation, each as amended, varied or otherwise restated from time to time, including but not limited to, Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH"), Directive 2002/96/EC ("WEEE") and related or similar legislation wherever applicable, Directive 2006/66/EC on batteries and accumulators and waste batteries and waste accumulators ("Battery Directive") and Directive 2009/125/EC establishing a framework for the setting of Ecodesign requirements for energy-related products ("Ecodesign Directive"), including all Implementing Measures enacted on the basis of the Ecodesign Directive and all other applicable European product-related legal requirements, such as harmonized standards goods must meet when placed on the EU market, including CE marking. With respect to REACH, Supplier has fulfilled and shall fulfill all its obligations under REACH, in particular all information requirements vis-à-vis Buyer, including without limitation the provision of a due and comprehensive safety data sheet in accordance with REACH. All Products must be suitable for compliant production and sale on the EU market. Additional information on product-related requirements and policy will be communicated from time to time, but failure to provide such information will in no way limit Supplier's responsibility hereunder.

5. SOLID WOOD PACKAGING MATERIAL – Supplier shall comply with all International Plant Protection Convention ("IPPC") regulations on solid wood packaging material ("SWPM") as outlined in ISPM-15 and elsewhere. Supplier shall ensure, and provide appropriate certification, that all SWPM shall be marked with the IPPC logo, country code, the number assigned by the natural plant protection organization and the IPPC treatment code.

6. INTERNATIONAL TRANSACTIONS – All documentation, including Orders, acknowledgements, packing lists, and commercial invoices shall be in English; if Supplier provides documentation in another language, they will also include a complete translation in English. Supplier agrees that the Buyer, its subsidiaries, affiliates or its designees may exclusively use the value of the Order to satisfy any international offset obligations that Buyer may have with Supplier's country, subject to the offset qualifying laws, rules and regulations of that country.

7. EXPORT/IMPORT CONTROLS –

- a. If Supplier is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services, the Supplier hereby certifies that it has registered with the U.S. Department of State Directorate of Defense Trade Controls and understands its obligations to comply with International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR").
- b. Supplier shall control the disclosure of and access to technical data, information and other items received under this Order in accordance with U.S. export control laws and regulations, including but not limited to the ITAR and the EAR. Supplier agrees that no technical data, information or other items provided by the Buyer in connection with this Order shall be provided to any foreign persons or to a foreign entity, including without limitation, a foreign subsidiary of Supplier, without the express written authorization of the Buyer. It is Supplier's sole responsibility to obtain the appropriate export license, technical assistance agreement or other requisite documentation for ITAR-controlled or EAR-controlled technical data or items, or if a foreign entity, to notify Buyer of the need for such. If not otherwise notified by Buyer, it shall be the responsibility of Supplier to determine whether the information provided by Buyer is technical data as outlined in the ITAR (22 CFR 120-130) or technology or technical data as outlined in the EAR (Part 772) prior to any release to a third party abiding by the terms outlined herein. Supplier shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Supplier.
- c. Supplier shall immediately notify Buyer if it is or becomes listed on any Excluded or Denied Party List of an agency of the U.S. Government or if its export privileges are denied, suspended or revoked. Should the Supplier's products or services originate from a foreign location, those products may also be subject to the export control laws and regulations of the country in which the articles or services originate. Supplier agrees to abide by all applicable export control laws and regulations of that originating country. Supplier shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by the Buyer in connection with any violations of such laws and regulations by Supplier. The Buyer shall be responsible for complying with any laws or regulations governing the importation of the articles into the United States of America. The Buyer may be required to obtain information concerning citizenship or export status of Supplier's personnel. Supplier agrees to provide such information as necessary and certifies the information to be true and correct.

8. COMPLIANCE WITH LAWS AND REGULATIONS –

- a. Supplier agrees that the articles will be produced and all work hereunder will be performed in accordance with all applicable statutes and laws (including but not limited to the Fair Labor Standards Act, the Walsh Healey Act, the Occupational Safety and Health Act, and all lawful orders,

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rules, and regulations thereunder), all executive orders, regulations of any of the Executive Departments of the United States Government, or any state or political subdivision thereof, and agrees to indemnify Buyer against any loss, cost, liability or damage by reason of Supplier's violation of any such applicable laws, orders, rules or regulations.

b. Supplier shall comply with the requirements of the Foreign Corrupt Practices Act (FCPA) as amended, (15 U.S.C. §78dd-1, et. seq.), regardless of whether Supplier is within the jurisdiction of the United States; and (ii) neither directly nor indirectly, pay, offer, give, or promise to pay or give, any portion of monies or anything of value received from Buyer to a non-U.S. public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.

9. DEBARMENT – By acceptance of this Order, Supplier certifies that the organization or any of its Principals are not presently debarred, suspended, proposed for debarment or declared ineligible for the award of contracts by any Federal agency. In the event the Supplier is proposed or debarred by any Federal agency during the performance term of this Order, Supplier shall notify the Buyer's Contractual Contact immediately in writing.

10. EQUAL OPPORTUNITY – Supplier will comply with all applicable federal, state and local laws and regulations, guidelines and rules relating to (i) equal employment opportunity including, without limitation, all requirements contained in or authorized by Federal Executive Order No 11246 of September 24, 1956 and any amendments thereto (ii) employment of qualified disabled veterans and veterans of the Vietnam era, including but not limited to, all requirements contained in or authorized by the Vietnam Era Veterans Readjustment Assistance Act of 1974, and any amendments thereto and (iii) employment of the handicapped, including but not limited to all requirements contained in or authorized by the Rehabilitation Act of 1973, and any amendments thereto.

The following clauses of and regulations, except to the extent the Subcontractor is exempt therefrom, are hereby incorporated herein by reference thereto:

- a. the applicable Equal Employment Opportunity Clause, required under Executive Order 11246, contained in 41 CFR, Sec 60-14;
- b. the Affirmative Action clause covering the employment of qualified disabled veterans and veterans of the Vietnam era and the regulations contained in 41 CFR, Sec 60-250; and
- c. the Affirmative Action Clause covering the employment of handicapped workers and the regulation contained in 41 CFR Part 60-741.

By accepting this Order, Supplier certifies that it complies with the authorities cited above, and that it does not maintain segregated facilities or permit its employees to perform services at locations where segregated facilities are maintained, as required by 41 CFR 60-1.8.

11. GOVERNMENT CONTRACT PROVISIONS – In accordance with the Federal Acquisition Regulation (FAR) and the Department of Defense (DoD) FAR Supplement (DFARS), when the materials, products or services furnished are for use in connection with a U.S. Government DoD Prime Contract or higher-tier contract, in addition to all terms of this Order, the following FAR and DFARS clauses and provisions (as referenced here) shall apply as required by the terms of the prime contract or by operation of law or regulation:

- a. Report of intended performance outside the United States and Canada - Submission with offer – 48 CFR 252.225-7003.
- b. Restriction on Acquisition of Specialty Metals – 48 CFR 252.225-7008..
- c. Restriction on Acquisition of Certain Articles Containing Specialty Metals - 48 CFR 252.225-7009.

- d. Contractor Code of Business Ethics and Conduct (Apr 2010) (FAR 52.230-13(b))
- e. Whistleblower Protections under the American Recover & Reinvestment Act of 2009 (52.203-15) If funded under the Recovery Act
- f. Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights 2009 (FAR 52.203-17) Subcontracts greater than the Simplified Acquisition Threshold (SAT)
- g. Subcontracting & Debarred, Suspended or Proposed for debarment (52.209-6) Subcontracts greater than \$30,000
- h. Utilization of Small Business Concerns (52.219-8)
- i. Convict Labor (52.222-3)
- j. Prohibition of Segregated Facilities (52.222-21)
- k. Equal Opportunity (52.222-26) (E.O. 11246)
- l. Equal Opportunity for Veterans (52.222-35) (38 U.S.C. 4212(a))
- m. Affirmative Action for Workers with Disabilities (52.222-36) Subcontracts greater than \$15,000
- n. Combating Trafficking in Persons (52.222-50) (22 U.S.C. 7104(g))
- o. Patent Rights – Ownership by the Government (52.227-13 and 52.227-14)
- p. Subcontracts for Commercial Items (52.244-6)
- q. Encouraging Contractor Policies to Ban Text Messaging While Driving (52.223-18). Subcontracts greater than \$3000
- r. Section 503 of the Rehabilitation Act of 1974. Subcontracts greater than \$10,000
- s. Requirement to Inform Employees of Whistleblower Rights (25.203-7002)

12. CONFLICT MINERALS –Buyer is committed to work towards the elimination of conflict minerals in our Products. Many of our customers are subject to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and require us to report the use and source of conflict minerals used in our products; these include tantalum, tin, tungsten and gold (3TG) originated in the Democratic Republic of the Congo or an adjoining country. We strongly encourage our suppliers to follow a policy to source 3TG from certified conflict-free smelters. Supplier shall disclose whether any "conflict minerals" as defined by Section 1502 of the Dodd-Frank Act will be contained in or necessary to the functionality or production of any of the products, parts or materials delivered to Buyer under this Order. In the event such minerals are used, Supplier shall immediately notify Buyer and identify the Product(s) in which the "conflict mineral(s)" were used. Supplier agrees to annually provide a report of the smelters in which the conflict minerals were processed and the countries in which they were mined. If country of origin and/or smelter is undetermined, Supplier shall provide a description of the measures taken to discover the chain of custody of such materials to the original smelter or refiner.

13. DPAS PRIORITY RATING – If so identified, this Order is a "rated order" in support of a U.S. Government DPAS rated contract or subcontract, certified for national defense use, and Supplier's signature constitutes acceptance of requirements under the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700). All "DPAS rated" Orders must be accepted or rejected as follows:

- a. "DO" rated Orders must be accepted or rejected in writing (hardcopy), or in electronic format, within 15 working days after Order receipt.
- b. "DX" rated Orders must be accepted or rejected in writing (hardcopy), or in electronic format, within 10 working days after order receipt.
- c. Rejection of "DO" or "DX" orders must be in writing (hardcopy), or in electronic format, giving the specific reason for the rejection.



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14. COUNTERFEIT PRODUCTS

- a. All Goods provided under this Order shall be comprised of components from Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by Buyer. When requested by Buyer, Supplier shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.
- b. In the event that Work delivered under this Agreement constitutes or includes Counterfeit Goods, Supplier shall, at its expense, promptly replace such Counterfeit Goods with authentic Goods conforming to the requirements of this Agreement. Notwithstanding any other provision in this Agreement, Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Goods, including without limitation Buyer's costs of removing Counterfeit Goods, of reinserting replacement Goods, and of any testing necessitated by the reinstallation of Goods after Counterfeit Goods have been exchanged. Supplier shall include equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Goods to Buyer.

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