
Argon Corporation Standard Terms and Conditions April 2017

Buyer means any authorized representative of Argon Corporation.

Seller means any authorized representative of the supplier that this Purchase Order has been issued to.

Acceptance of this Purchase Order expresses acceptance of the terms and conditions herein. These written terms and conditions establish a binding contract between Buyer and Seller that is not to be altered, amended, modified or rescinded, orally or by any other document, except by a written statement by authorized representatives of the Buyer or the Seller.

Merchandise acceptability is subject to our inspection. Overages and shortages are subject to our rejection. The Seller must certify and represent that in the performance of this Purchase Order it will comply with the provisions of all applicable federal, state and local laws, regulations, rules and orders. The price of the Goods and/or Services is the price stated on this Purchase Order. The Seller is to invoice Buyer (to the address shown on the first page of this Purchase Order) for the Order within thirty (30) days of delivery, unless otherwise stated in the Purchase Order. Buyer will pay all properly invoiced amounts due to the Seller within the terms stated in this Purchase Order after receipt of such invoice, except for any amounts disputed by Buyer. Delivery is to be made in accordance with the Terms of this Purchase Order and require, as a minimum, the following documentation. Any other documentation required will be detailed in Purchase Order.

- 1) Certificate of Compliance
- 2) Packing list and/or MSDS where applicable.

The Purchase Order number must appear on all documents pertaining to the Order, invoices, packing lists, correspondence, and all shipping documents. Unless otherwise specified in the Purchase Order, risk of loss of the Goods remains with the Seller and title will not pass to Argon Corporation until the Goods are delivered to, and accepted by, the Buyer at the Delivery Location shown on this Purchase Order.

Argon Corporation is procuring materials for use in Department of Defense projects, and as such, we have specific requirements that we are legally obligated to flow down to our suppliers, along with our own standard terms and conditions. Argon may, from time to time, be requested by our customer, or our customer's customer, to visit our supplier for a quality audit. Argon will support these requests and it is a requirement that our supplier support these requests, as a condition of accepting this Purchase Order.

The National Defense Authorization Act for Fiscal Year 2012 [H.R. 1540 Sec. 818] called for "policies and procedures to eliminate counterfeit electronic parts from the defense supply chain" and that these policies

shall include "the reporting and quarantining of counterfeit electronic parts and suspect counterfeit electronic parts".

As a result of this, Buyer will only purchase items from OEM's or authorized distributors only. If your authorization has expired or otherwise is not any longer valid, then you are required to inform Buyer of this status. Buyer then retains the right to return any purchased items without any financial penalty.

Seller hereby agrees and acknowledges that suspect/fraudulent/counterfeit components have no value and any transaction involving suspect/fraudulent/counterfeit components should be declared null and void since no consideration has passed due to the suspect/fraudulent/counterfeit nature of the components.

As a result, Seller hereby agrees that if Buyer or a testing laboratory chosen by Buyer determines that the electronic components supplied by Seller are suspect/fraudulent/counterfeit, then Seller has the right to: 1) Agree with Buyer's findings and the order will be voided and Argon will not be liable for the value originally agreed upon value of the goods, or 2) Verify Buyer's findings by contracting with an ERAI approved test laboratory for further authenticity verification.

Seller agrees to accept liability requirements for cases where our Seller allows counterfeit items to infiltrate Argon Products. These terms may require Seller to:

- Replace counterfeit items at their expense
- Reimburse Argon for the costs incurred for removal, replacement, retesting, and installation of replacement items.

Seller agrees to all flow down requirements pursuant to DFARS 252.246-7008 (Sources of Electronic Parts), and to impose these same requirements on any and all sub-suppliers.

Warranty – Unless otherwise specified, the Seller shall warrant their products free from defects in workmanship for one year after delivery to Buyer.

Quality – Seller maintains that they will work in accordance with their internal, documented quality system. ISO or AS9100 or equivalent is a requirement of Argon Corporation. Argon reserves the right to visit and audit the Seller to determine if an adequate quality system is in place and maintained. Evidence of this includes, but is not limited to, a third party certificate of registration from a recognized agency. Argon may also ask supplier to fill out the Argon Supplier Questionnaire to determine if an adequate QA is in place, in the event there is no certificate of registration with a recognized agency.

Calibration – Seller certifies that all tools that requires calibration will have their calibration up to date and documented. No Buyer equipment is to be manufactured in any way with non-calibrated tooling or equipment.

Electrostatic Discharge – Seller (in the case of electronic components or subassemblies) certifies that they use, maintain and ensure compliance with an effective ESD program designed to ensure that electronic components and subassemblies are not subject to ESD.

Packaging – Seller is to ensure that all ordered parts and/or equipment is packaged for shipment using materials and boxes that ensure the good arrive undamaged.

Conflict Minerals – Seller hereby certifies that they have not knowingly added any conflict minerals to the product which Buyer has contracted for. Seller also certifies that they actively work to ensure that conflict minerals are not introduced into the product that is eventually delivered to Argon Corporation.

Details on the conflict minerals rules can be found at this location: <http://www.sec.gov/rules/final/2012/34-67716.pdf>

Conflict minerals are defined as tin, tantalum, tungsten and gold contained within the products/materials your company sells or delivers to Argon Corporation, which may have been derived from areas determined to be Conflict Zones.

New Goods – no remanufactured or “gray market” items shall be provided under this Purchase Order. Only new materials are acceptable.

OEM or Authorized Distributors – Seller hereby certifies that they are the Original Equipment Manufacturer or an Authorized Distributor of the goods contracted for delivery in this Purchase Order.

If you have any questions about these Terms and Conditions, contact the Argon Purchasing representative which has provided you with this Purchase Order.