

## Quality-Based Terms and Conditions

Thermal Management Technologies  
2465 North 500 West  
North Logan, UT 84341  
435-755-6400

**General:** As a supplier to Thermal Management Technologies (TMT), it is understood that your organization agrees to meet the following stipulations whenever a Thermal Management Technologies Purchase Order is issued.

- 1) TMT reserves the right of final approval of product, procedures, processes and equipment. The supplier's performance will be monitored on a regular basis. On-time delivery, product quality and customer service at a minimum.
- 2) All special processes required by this PO must be performed by qualified personnel.
- 3) Our organization reserves the right to review and approve the Vendors Quality Management System.  
Standard QMS Requirements Include:
  - a. Vendors providing special processing must maintain a system for validating processes.
  - b. Thermal Management Technologies specified vendors must operate in accordance with approved specifications and standards as dictated and controlled by Thermal Management Technologies.
  - c. Suppliers initially approved for use via certifications like (ISO9001, AS9100, ISO 17025, etc.) must notify our organization of any changes to that certification.
- 4) The Vendor shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.
- 5) Our organization 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.
- 6) Our organization reserves the right to designate requirements for test specimens for design approval, inspection/verification, investigation or auditing.
- 7) The Vendor is required to:
  - a. Notify our organization of nonconforming product that may be shipped.
  - b. Obtain our organization approval for nonconforming product disposition on deployable parts.
  - c. Notify our organization of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations and where required,

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- obtain Thermal Management Technologies approval.
- d. Flow down to the supply chain the applicable requirements including Thermal Management Technologies requirements.
  - e. Ensure that persons are aware of:
    - Their contribution to product or service conformity
    - Their contribution to product safety
    - The importance of ethical behavior.
- 8) The Vendor is required to supply product that has a remaining shelf life of at least 75% of original life as of the date of shipment unless otherwise agreed upon by Thermal Management Technologies.
- 9) The Vendor is required to retain all Records associated with the Purchase Order for 7 (seven) years or as required by contract.
- 10) Right of access by our organization, Thermal Management Technologies, and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
- 11) All vendors providing Calibration Services must be compliant to ISO 17025, ANSI/NCSL Z540, (or equivalent). All Calibration Certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).
- 12) Seller shall provide a proper Bill of Lading signed by Carrier, or any other legally applicable documents providing title to the goods to Purchaser upon delivery, fully protecting all parties in case of damages in transit. All cost incurred due to improper packing will be paid by Seller.
- 13) Certification of Materials and/or Process performed must accompany materials/parts received. Invoice will be aged for payment based on date Certification(s) is received.
- 14) Any disputes arising out of any Contract issued pursuant to the Terms and Conditions shall be interpreted in accordance with and governed by the Laws of the State of Utah, USA.

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### 15) Counterfeit Material Avoidance.

- a) The supplier's Certification of Conformance represents that the shipment does not contain any 'suspect' or 'known' Counterfeit Part, Work, or Material, and ensures that parts, material or work are procured only through Original Equipment Manufacturers (OEMs)/Original Component Manufacturers (OCMs) or their Franchised Distributors or Authorized Supplier. Any use of other than an Authorized Supplier requires Thermal Management Technologies written approval prior to procurement and use, which shall be accompanied by the supplier's certification furnished to Thermal Management Technologies.
  - i) The supplier shall verify the procurement source and associated certifying documentation.
  - ii) Supplier's receiving inspection process shall utilize incoming inspection or test methods, or both, to detect potential counterfeit parts, material or work.
  - iii) The supplier shall flow this clause in its entirety or equivalent down to all lower tier subcontracts to prevent the inadvertent use of Counterfeit Parts, Material or Work. When an Authorized Supplier is not utilized by the supplier's lower tier, the supplier shall provide a copy of the risk assessment and their written approval with the certification furnished to Thermal Management Technologies.

### 16) Conflict Minerals.

- a) When requested on the Thermal Management Technologies purchase order, Supplier shall provide Thermal Management Technologies with a written certification as to the presence of "Conflict Minerals" contained in or used in the production of the items purchased by Thermal Management Technologies and the country of origin of such "Conflict Minerals" as defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act. "Conflict minerals," as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, are:
  - i) columbite-tantalite (Fe, Mn, Mg)(Nb, Ta)<sub>2</sub>O<sub>6</sub>-(Fe, Mn)(Ta, Nb)<sub>2</sub>O<sub>6</sub> (coltan) – tantalum (Ta),

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- ii) cassiterite ( $\text{SnO}_2$ ) – tin (Sn),
- iii) wolframite ( $(\text{Fe},\text{Mn})\text{WO}_4$ ) – tungsten (W),
- iv) and gold (Au),

or any other derivatives; or any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country. Supplier(s) must include a statement of compliance on all Certificates of Conformance delivered to Thermal Management Technologies.

### 17) DFARS Compliance.

- a) Supplier shall provide a certification stating that materials furnished are in compliance with: DFARS qualifying countries (225.872-1) and DFARS "Specialty Metals" (252.225-7008) unless otherwise specified on the Thermal Management Technologies purchase order.

### 18) RoHS Compliance.

- a) When requested on the Thermal Management Technologies purchase order, the supplier shall provide with each delivery a certificate of compliance stating that all materials supplied are within the limits for hazardous substances as established by EU Directive 2002/95/EC. Should any material not comply, the concentration of the hazardous substance shall be reported on a chemical test report. At the discretion of Thermal Management Technologies, the material may be rejected and returned to the supplier if the concentration of the hazardous substance is over the established limits. Thermal Management Technologies also reserves the right to request a written plan from the supplier detailing the necessary steps required to bring the material into compliance and the date when compliance will be established.