

# **Texas Instruments Japan Limited**

## **Terms and Conditions of Purchase**

### **General Provisions**

IF THE PARTIES HAVE EXECUTED AN AGREEMENT THAT GOVERNS THE PURCHASE OF GOODS, SERVICES OR WORK DELIVERED UNDER THIS PURCHASE ORDER, THEN SUCH AGREEMENT SHALL SUPERCEDE THESE TERMS AND CONDITIONS OF PURCHASE UNLESS SUCH AGREEMENT INDICATES OTHERWISE. IF THE PARTIES HAVE NOT EXECUTED SUCH AGREEMENT, THEN BY ACCEPTING THIS PURCHASE ORDER AND/OR PERFORMING HEREUNDER, SELLER AGREES TO COMPLY FULLY WITH THE TERMS AND CONDITIONS OF PURCHASE SET FORTH IN THIS DOCUMENT. ACCEPTANCE OF THIS PURCHASE ORDER IS EXPRESSLY LIMITED TO THE TERMS AND CONDITIONS OF THIS PURCHASE ORDER AND NONE OF SELLER'S TERMS AND CONDITIONS SHALL APPLY UNDER ANY CIRCUMSTANCES. ACCEPTANCE BY TEXAS INSTRUMENTS JAPAN LIMITED (HEREINAFTER CALLED "TI"), OF THE GOODS, SERVICES OR WORK DELIVERED UNDER THIS PURCHASE ORDER SHALL NOT CONSTITUTE AGREEMENT TO SELLER'S TERMS OR CONDITIONS. SELLER MAY NOT SHIP UNDER RESERVATION.

#### **1. Modifications**

Changes, modifications, waivers, additions or amendments to the terms and conditions of this Purchase Order shall be binding on TI only if such changes, modifications, waivers, additions or amendments are in writing and signed by a duly authorized TI representative.

#### **2. Applicable Law**

The validity, interpretation and performance of these terms and conditions and any purchase made hereunder shall be governed by the laws of Japan. The United Nations Convention on Contracts for the International Sale of Goods (the Vienna Convention) is deemed waived and shall not apply. In the event of any dispute arising hereunder, the parties hereby submit to the jurisdiction of the Tokyo District Court.

#### **3. Compliance with Law**

Seller agrees that at all times it will comply with all applicable national, municipal and local laws, orders and regulations. Not only will Seller comply with applicable law, TI expects Seller to promote awareness, understanding, and compliance with the law among Seller's supplier base. If requested by TI, Seller agrees to timely certify compliance with such laws in such forms as TI may request.

#### **4. Ethical Conduct**

- (a) Seller agrees to provide the products and perform the services hereunder with the highest ethical standards. TI expects Seller to select suppliers and partners who engage in ethical practices and to refrain from any activity that results or may result in a conflict of interest, embarrassment to TI, or harm TI's reputation. Seller will: (a) maintain transparency and accuracy in corporate record keeping and (b) act lawfully and with integrity in handling competitive data, proprietary information and other Intellectual Property (as defined in Section 13(a) below).
- (b) Seller warrants that it understands the US Foreign Corrupt Practices Act and similar laws and regulations in the countries in which Seller operates. Seller shall not directly or indirectly offer or make any payment, or offer or give anything of value to any Government Official or his or her family members, to gain or maintain any business. Seller warrants that in its performance of this Purchase Order, Seller does not and will not make such prohibited payment. TI may deduct an amount equal to the amount of the prohibited payment made by Seller from the payment to Seller under this Purchase Order. Seller's breach of this section constitutes a material breach to this Purchase Order for which TI may immediately terminate this Purchase Order. "Government Official" in this Section means any officer or employee of, or any person acting in an official capacity for, any government (including federal, state, local municipal and national governments), any governmental department, agency, corporation (including state-owned or controlled entities thereof), or public international organization, or any political party official or any candidate for political office.

#### **5. Supply Chain Responsibility**

Seller agrees to comply with applicable TI Supply Chain Responsibility requirements as established in our Supplier Environmental and Social Responsibility Policy and Supplier Code of Conduct. Both are updated periodically and located at <https://wpl.ext.ti.com>. If requested, Seller agrees to complete an annual self-assessment questionnaire with regards to their supply chain responsibility practices and comply with requested audits as required for verification.

## **6. Antidiscrimination and Humane Treatment of Workers**

- (a) Seller will employ workers on the basis of their ability to do the job and not on the basis of their personal characteristics or beliefs.
- (b) Seller will assure that products (including parts) will not be produced, manufactured, mined, or assembled with the use of forced, prison, or indentured labor, including debt bondage, or with the use of illegal child labor in violation of International Labor Conventions for minimum age (ILO-C138) and child labor (ILO-C182). Seller will not require workers to remain in employment for any period of time against their will. If Seller provides housing or eating facilities, it will assure the facilities are operated and maintained in a safe and sanitary manner. TI products may be used in support of U.S. Government contracts, so Seller shall also comply with FAR 52.222-50 (Combating Trafficking in Persons) (see also Section 40 below).
- (c) Seller will operate safe, healthy and fair working environments, including managing operations so that overtime does not create inhumane working conditions, including required overtime for non-exempt employees. Seller will pay workers at least the minimum legal wage. Seller will assure that workers are free to join, or refrain from joining, associations of their own choosing, unless otherwise prohibited by law.
- (d) Texas Instruments is an equal opportunity employer and federal contractor or subcontractor. Therefore, to the extent applicable, Seller agrees that it shall abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a) and that these laws are incorporated herein by reference. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability. Seller also agrees that, as applicable, it will abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under federal labor laws.

## **7. Information Protection**

- (a) Neither party hereto shall, without the prior written consent of the other party, publicly announce or otherwise disclose (except to the U.S. Government, when the Purchase Order references a U.S. Government contract or subcontract number), the existence or the terms of this Purchase Order, or release any publicity regarding this Purchase Order. Unless expressly agreed upon in writing by TI, nothing in this Purchase Order shall be construed as granting, conveying or conferring any rights to Seller, either express or implied, (i) in any TI Intellectual Property or rights; (ii) to use TI's trademarks, trade names, name or logo on any marketing literature, websites, presentations, press releases or any other media form or in connection with any product, service or promotion; or (iii) to use TI as a reference account. This provision shall survive the expiration, termination or cancellation of this Purchase Order.
- (b) Any knowledge or information that Seller may disclose to TI shall not be deemed to be confidential information and shall be acquired by TI free from any restrictions as to use or disclosure thereof, unless TI shall have agreed to accept confidential information from Seller pursuant to a duly executed nondisclosure agreement defining TI's obligations with respect to such information. Seller acknowledges and agrees that all TI and third party information received, observed or accessed by Seller or Seller's Personnel (as defined in 8(a) below) (whether from or through TI, its subsidiaries or contractor) in the performance of its obligations under the Purchase Order shall be TI's confidential information (collectively, the "Confidential Information"). Seller shall not (i) use the Confidential Information for any purposes other than the purpose of performing its obligations under the Purchase Order or (ii) disclose the Confidential Information to any third party who do not need to know the information for the performance of its obligations under the Purchase Order and who do not have a legally binding non-use and confidentiality obligations with respect to the Confidential Information that are no less restrictive than the obligations set forth herein. Confidential Information shall not include any information that (A) was already known to Seller without a duty of confidentiality; (B) is or becomes a matter of public knowledge through no fault of the Seller; (C) is rightfully received by Seller from a third party without a duty of confidentiality or (D) is independently developed by Seller without any access to the Confidential Information.
- (c) Seller agrees that if it collects, processes and/or uses any information relating to an identified or identifiable natural person ("Personal Data"), it will do so in compliance with all applicable data protection or privacy laws and regulations, and that it will implement, maintain, and continuously control and update, technical, organizational and physical security measures to protect Personal Data as required thereunder, in particular against accidental, unauthorized or unlawful (i) destruction or loss, (ii) alteration and (iii) disclosure or access. Seller will keep all Personal Data confidential and will not, without TI's prior written consent, use Personal Data for purposes other than performing services under this Purchase Order. Seller will not transfer Personal Data to any third party without TI's prior written approval. Seller agrees to promptly notify TI in writing of any discovery of any breach or suspected breach of Personal Data or any loss or unauthorized use, disclosure, acquisition of or access to any Personal Data and/or TI's business systems of which Seller becomes aware.
- (d) To the knowledge of Seller, (i) there has been no material security breach or other security compromise of or relating to Seller's information technology and computer systems, networks, hardware, software, data, trade secrets, or equipment; and (ii) Seller is presently in compliance with all applicable laws, regulations, contractual obligations and internal policies relating to data privacy and security or Personal Data. Seller will, at the choice of TI, return to TI (in a standard format

facilitating portability) and/or to securely delete/destroy all Personal Data, including all existing copies thereof, in accordance with TI's instructions, within thirty (30) days upon TI's request or upon termination of this Purchase Order, and to certify to TI in writing that it has done so. Seller will not be obliged to delete/destroy all copies of the Personal Data where a longer storage by Seller is required under applicable laws and regulations, in which case Seller shall inform TI accordingly, including about the legal grounds for, and the term of, any further storage.

## **8. General Indemnity**

- (a) SELLER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS TI, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, AFFILIATES, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, "INDEMNIFIED PERSONS"), FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES OF ACTION, SUITS, DEMANDS, PROCEEDINGS, LOSSES, JUDGMENTS, DAMAGES, PENALTIES, FINES, LIABILITIES, COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND RELATED EXPENSES) (COLLECTIVELY "CLAIMS"), ARISING OUT OF OR RELATING TO: (I) THE NEGLIGENCE, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF SELLER, ITS EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, AGENTS OR AFFILIATES (COLLECTIVELY, THE "SELLER PERSONNEL"); (II) A BREACH OF WARRANTY, EXPRESS OR IMPLIED, BY SELLER OR A SELLER PERSONNEL; (III) A FAILURE BY SELLER OR A SELLER PERSONNEL TO COMPLY WITH ANY APPLICABLE LAWS OR REGULATIONS; (IV) A BREACH OF THE TERMS AND CONDITIONS OF THIS AGREEMENT BY SELLER OR A SELLER PERSONNEL; OR (V) A CLAIM THAT ANY GOODS, SOFTWARE OR DELIVERABLES PROVIDED TO TI BY SELLER OR A SELLER PERSONNEL OR ANY TECHNOLOGY, SOFTWARE OR EQUIPMENT USED BY SELLER OR A SELLER PERSONNEL TO PROVIDE SERVICES TO TI INFRINGES A THIRD PARTY'S INTELLECTUAL PROPERTY RIGHTS OR WAS MISAPPROPRIATED FROM SUCH THIRD PARTY (COLLECTIVELY, "LIABILITIES"). SELLER'S INDEMNIFICATION FOR AN INFRINGEMENT OR MISAPPROPRIATION CLAIM WILL NOT APPLY TO THE EXTENT THAT THE INFRINGEMENT OR MISAPPROPRIATION ARISES OUT OF A MODIFICATION OF THE GOODS, SOFTWARE OR DELIVERABLES BY TI THAT WAS NOT APPROVED BY SELLER, AND BUT FOR SUCH MODIFICATION, THE GOODS, SOFTWARE OR DELIVERABLES WOULD NOT BE INFRINGING. SELLER'S OBLIGATIONS HEREUNDER ARE NOT LIMITED BY ANY LIMITATION ON ANY AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE UNDER ANY WORKER'S COMPENSATION ACT, DISABILITY BENEFITS ACT OR OTHER EMPLOYEE BENEFITS ACT. SELLER WILL NOT BE OBLIGATED TO INDEMNIFY THE INDEMNIFIED PERSONS FOR ANY PORTION OF ANY CLAIM THAT IS FINALLY DETERMINED OR ADJUDGED BY A COURT OF COMPETENT JURISDICTION, OR MUTUALLY AGREED UPON BY THE PARTIES IN WRITING, TO BE CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF ANY INDEMNIFIED PERSON.
- (b) Whenever a Claim under this Section 8 arises the Indemnified Persons will (i) give Seller notice of the Claim; (ii) permit Seller to defend and control the defense of the Claim, at Seller's expense; and (iii) give Seller information and assistance reasonably available to the Indemnified Persons and necessary for Seller to defend the Claim, at Seller's expense. In addition, each party will provide to the other written notices and copies of communication from third parties received or made by such party relating to the Claim. Promptly after receiving notice, Seller will evaluate the Claim and notify TI of whether it will undertake the defense of such Claim. TI is entitled to participate in the defense of any such Claim at its own expense and with counsel of its choosing. If at any time TI believes that its potential proportionate responsibility with respect to a Claim is greater than Seller's potential proportionate responsibility, TI may, at its option, assume control of the defense of such Claim through counsel of its choice and at its own expense. Seller will not, without the Indemnified Persons' prior written consent, settle or compromise any Claim that assigns to any Indemnified Person liability for all or any portion of a Claim or that does not provide Indemnified Persons with a complete and irrevocable release of all Claims.

## **9. Insurance**

Seller shall maintain and require Seller's subcontractors to obtain and maintain in force insurance coverage in amounts acceptable to TI, including, but not limited to, Commercial General Liability (CGL) insurance, Automobile Liability insurance, Employer's Liability insurance and be compliant to U.S. Worker's Compensation and Occupational Disease Acts or similar laws and regulations addressing an employer's obligations to its employees for injuries and disease suffered as a result of employment in the jurisdiction in which Seller operates.

## **10. Inspection and Verification of Goods and Services**

- (a) Seller agrees to permit TI and TI's customers (or Government representatives if this Purchase Order references a U.S. Government contract or subcontract number) to verify the quality of goods and services being provided under this Purchase Order at any production stage in Seller's facility. Verification may consist of a physical assessment or surveillance of Seller's facilities and quality programs and/or a source inspection. Deficiencies identified during such verification shall be corrected by Seller in the most expeditious manner possible and may be validated by TI. Seller shall provide all reasonable facilities and assistance for the safety and convenience of personnel engaged in such verification. Seller shall include in each subcontract Seller makes hereunder appropriate provisions to the same effect. Any inspection performed by TI or TI's customers as set forth herein shall not constitute acceptance of the goods and services and shall not waive TI's right to return material to Seller that exhibits or develops defects.

- (b) Unless otherwise provided in Purchase Orders issued by TI, Seller shall ensure that the manufacturing processes used meet the technical requirements of the drawings, specifications, engineering changes and added requirements applicable to the Purchase Order. Seller shall maintain an appropriate inspection measurement or test system sufficient to verify that it is meeting the technical requirements. Further, at TI's request, Seller shall provide objective evidence that such inspection measurement or test system has been implemented and is in operation.
- (c) Seller shall comply with the Texas Instruments General Quality Guidelines for Suppliers, which is updated periodically and is located at <https://wpl.ext.ti.com>

## 11. Acceptance and Warranty

- (a) Acceptance. Unless otherwise specified herein, acceptance of material by TI will not occur until after arrival at the TI facility specified in this Purchase Order and after reasonable inspection and/or review by TI. Any goods rejected by TI may be returned to Seller at Seller's expense for full credit of the purchase price. Inspection and/or review may be performed at TI's option on a statistical sampling basis. The entire lot may be rejected based on defects revealed by such sampling. At TI's option, the rejected lot will be either returned to Seller for replacement or credit or 100% screened by TI with the cost of such screening paid by Seller. The inspection and/or review performed at TI on receipt of goods is a conditional acceptance, and shall not waive TI's right to return material to Seller that exhibits or develops defects during or after installation or testing of the end product.
- (b) Goods. Seller warrants that all goods supplied by Seller under this Purchase Order (i) conform to the requirements, specifications, drawings, samples or other descriptions furnished by TI or referenced in this Purchase Order, (ii) are of good material and workmanship, (iii) are free from all defects in manufacture or design, (iv) are of merchantable quality, (v) are free of all liens and encumbrances, and (vi) are fit for their intended purpose. Such warranties by Seller shall run to the benefit of TI and its customers. TI's approval of designs furnished by Seller shall not relieve Seller of its obligation under this warranty. Seller's warranty shall be effective for a period of time as set forth on the face of this Purchase Order, or if such time is not set forth on the face of this Purchase Order, the warranty shall be effective for five (5) years after the date of TI's acceptance of goods, or for such longer period specified by Seller. Seller agrees that shipment of goods against this Purchase Order constitutes certification that all goods included in this shipment conform in all respects to the applicable requirements, specifications, drawings, samples or other descriptions furnished by TI or referenced in this Purchase Order. Seller will make process control data, inspection and test reports covering the goods and their parts available for review and examination by TI or its authorized representatives to verify conformance to such applicable specifications and drawings. A certificate of conformance must accompany individual shipments when so specified on applicable specifications or drawings, or in this Purchase Order. Seller shall, at Seller's expense and at TI's option, promptly repair, replace or refund to TI amounts paid for any goods that do not conform to this warranty. All costs associated with returning non-conforming goods shall be borne by Seller. Non-conforming goods shall be returned freight collect to Seller. Seller shall send replacement material freight prepaid and Seller shall also bear the cost of premium transportation when TI indicates that obtaining such replacement material places critical time or delivery schedule constraints on TI. If Seller does not repair or replace the non-conforming or defective goods within thirty (30) days or such period of time agreed to by TI, then TI shall have the option to request a refund for such non-conforming or defective goods. Seller will provide such refund within ten (10) days of TI's request for such refund. If non-conforming goods from Seller have been incorporated in products manufactured by TI, or if such non-conformances otherwise cause harm to TI's direct or indirect customers, then Seller shall reimburse TI for all reasonable expenses and for all penalties incurred by TI in connection with any scrapping, recall or other return of such goods (or items incorporating them).
- (c) Services. For a period of five (5) years from the performance of the service, Seller warrants and represents to TI that any services to be provided under this Purchase Order will be provided in accordance with the specifications and requirements agreed to by TI, using sound professional practices and standard of skill and care that is no less than that ordinarily exercised by experienced and competent contractors performing services of a similar nature to the services to be provided under this Purchase Order. Further, Seller warrants that the services will be proper and sufficient for the purposes contemplated by this Purchase Order. If the services do not conform to the warranties set forth herein, Seller will, at TI's option and at Seller's sole cost and expense, either (i) re-perform such services until or (ii) refund all payments made by TI to Seller for the non-conforming services.
- (d) Liens. Seller shall not file any claim of lien or stop-notice or any other demand for payment or security therefor (collectively, "Liens") on or against TI or any TI property. If a Lien made or filed on or against TI or any of TI's property by any person claiming that Seller or any of Seller's contractors, subcontractors or other suppliers or any other person claiming that any of them has failed to perform its contractual obligations or to make payment for any labor, services, trust fund contribution, materials, equipment, taxes, or other item furnished or obligation incurred for, or in connection with, the services provided to TI, then TI has the right to (i) retain or withhold from payment due to Seller adequate amounts to cover such claims and/or (ii) be reimbursed by Seller for an amount sufficient to (A) satisfy, discharge, and defend against any such claim of Liens, or any action or proceeding thereon that may be brought to judgment; (B) make good any such nonpayment, nonperformance, damage, failure, or default; and (C) compensate TI for and indemnify it against any and all loss, liability, claim, damage, cost, and expense (including attorneys' and consultants' fees and costs of suit) sustained or incurred in connection therewith.
- (e) General. Seller represents and warrants that (i) it has the requisite authority to accept this Purchase Order and perform its obligations hereunder, (ii) the execution and performance of its obligations under this Purchase Order shall not result

in any violation or breach of any agreement, court order, injunction or judgment, (iii) it has obtained all licenses and permits required under applicable laws and regulations for the operation of Seller's business and the provision of the goods and/or services contemplated hereunder and (iv) it will use only persons authorized to be employed in the location in which they will be working under applicable immigration and labor laws.

## **12. TI Property**

Unless otherwise specified herein, Seller conveys to TI full and clear ownership and title to all goods, special drawings, dies, patterns, tooling, Intellectual Property or other items paid for by TI and Seller further represents and warrants that it has the right to do so. Seller shall provide such items in good condition. Any items provided to Seller by TI shall remain the property of TI unless otherwise agreed to by TI. Seller shall preserve such items provided by or conveyed to TI in good condition, reasonable wear and tear excepted, and shall return them when the work on the Purchase Order has been completed or terminated, or at any other time as requested by TI. No special drawing, die, pattern, tool or other item supplied by TI or made by Seller for the use of or delivery to TI, or for use by Seller in supplying TI, shall be used by Seller for any purpose other than supplying TI, without Seller first obtaining TI's written consent, provided, however, that if the U.S. Government has rights in such items under a prime contract with TI, noninterfering use of the items for direct sales to the Government is authorized if written notice is provided to TI prior to such use. If material, equipment, special drawings, dies, patterns, or other items are furnished by TI for performance of this Purchase Order, all risk of loss thereof or damage thereto shall be upon Seller from the time of shipment to Seller until redelivery to and receipt by TI.

## **13. Rights in Work Product**

- (a) In the course of its performance under this Purchase Order, Seller may conceive or reduce to practice inventions, discoveries, improvements, concepts, in tangible or intangible form, written materials, documentation, databases, designs, discs, tapes, programs, software, architectures, files and other material (collectively "Work Product"). Any and all rights in intellectual property, including without limitation, copyrights (including mask work rights), patents, design rights, database rights, rights in know-how, trade secrets and other confidential information and other similar rights worldwide, whether registered or not and including any applications for the foregoing (collectively "Intellectual Property") in and to the Work Product shall be the exclusive property of TI from the date of inception. All Work Product shall be deemed "work-for-hire" as defined under United States copyright law and shall be the exclusive property of TI from the date of inception. If the Work Product does not qualify as a "work-for-hire", then in any event all Intellectual Property rights in and to the Work Product, including the copyright, will be deemed automatically transferred to TI from its inception. Seller agrees to assign and hereby assigns to TI Intellectual Property rights in and to all Work Product and waives any moral rights in favor of TI. TI shall have the exclusive worldwide right to use, edit, translate, publish, transfer or sell the Work Product prepared by Seller in any manner that TI deems fit without further payment to Seller. The Work Product shall be deemed to be TI confidential information and shall not be disclosed to other than TI or used by Seller or others without TI's prior written consent.
- (b) Notwithstanding the above, Seller and its licensors retain all ownership rights in any and all pre-existing Intellectual Property whether in tangible or intangible form, and developed, acquired or prepared by Seller prior to the issuance of this Purchase Order (collectively "Pre-Existing Rights"). To the extent that Seller's Pre-Existing Rights are embedded in or are an integral part of any goods and/or Work Product provided to TI under this Purchase Order, Seller grants to TI and its subsidiaries and affiliates, a perpetual, royalty-free, irrevocable, worldwide, nonexclusive, transferable license (with the right to sub-license) to make, have made, use, reproduce, modify, distribute and display such Pre- Existing Rights without accounting. Seller shall notify TI in advance of any Pre- Existing Rights to be embedded in or made an integral part of any goods and/or Work Product provided to TI hereunder.
- (c) Seller represents and warrants that it has, or will have, prior to commencement of work under this Purchase Order by any employee or third party performing work on behalf of Seller, valid and sufficient arrangements or agreements with such employee or third party such that all rights in and to any and all Intellectual Property made by such employee or third party vests in Seller.

## **14. Patents and Copyrights**

- (a) Seller agrees to defend, indemnify and to save TI, its officers, agents, employees, and vendees (mediate and immediate) harmless, at Seller's expense, from and against any and all Claims, either at law or in equity, that the purchase, use, or sale of goods and/or Work Product required by this Purchase Order violates any license agreement or constitutes an infringement or misappropriation of any Intellectual Property, trademark, service mark or other intellectual property right of any third party. Seller shall not be obligated to defend or be liable for costs and losses to the extent the claim of infringement or alleged infringement is solely due to and would not have occurred but for (i) Seller's compliance with designs for such goods originally furnished by TI to Seller or (ii) a modification by TI of Seller's goods that was not authorized by Seller.
- (b) Without prejudice to the immediately preceding section, if any goods or Work Product to be provided by Seller to TI under this Purchase Order is, or in TI's opinion is likely to become, the subject of a claim of infringement and/or misappropriation of any Intellectual Property, trademark or service mark right of a third party, Seller shall, at its sole expense, procure the

right for TI to continue using the goods or Work Product. In the event Seller cannot procure such rights, Seller shall, at its option, either modify the goods or Work Product to make it non-infringing and/or to avoid a claim of misappropriation, but still be functionally equivalent, or replace the goods or Work Product with functionally equivalent goods or Work Product that is non-infringing and/or avoids a claim of misappropriation.

## **15. Anti-counterfeit Assurance**

- (a) Seller agrees that if the transaction contemplated by this Purchase Order requires Seller to procure one or more components or materials, including but not limited to semiconductors, integrated or discrete circuits, or any chemical or metal (whether pure, compounded or alloyed) Seller shall procure such components or materials solely from either the original manufacturer of the component or material, or that manufacturer's authorized distributors, or, with TI's express written approval, from another third party. Seller must review and maintain all documents necessary to show chain of custody of a component or material to its original manufacturer. If Seller utilizes a third party to provide a component or material for Seller's use in completing the work contemplated in this Purchase Order, Seller must provide TI with documentation of traceability to the original manufacturer. If Seller is unable to provide such documentation, then Seller shall inspect, test and authenticate such components or materials in accordance with existing applicable industry standards, and certify in writing to TI that Seller has successfully done so.
- (b) If Seller becomes aware of, or reasonably suspects, the design, development, marketing, distribution or sale of any counterfeit or copied TI product(s), Seller will promptly notify TI in writing of such design, development, marketing, distribution or sale. Seller will provide all reasonably requested assistance and support to TI in connection with any TI investigations or inquiries regarding such activity.

## **16. Changes**

- (a) Periodically, TI may change any of the drawings, specifications or instructions for work covered by this Purchase Order. In such event, Seller shall make every attempt to comply with such reasonable change notices. If such changes result in a decrease or increase in Seller's cost or in the time for performance, Seller will notify TI in writing of its request for an adjustment in the price or time of delivery within five (5) business days after its receipt of the change notice. The parties will negotiate in good faith regarding any adjustments in the price and time for performance to be made. Any such adjustments must be agreed to by authorized representatives of the parties in writing.
- (b) Seller shall not make any changes in manufacturing, materials, testing, configuration, or otherwise that alter the form, fit or function or adversely affect the quality or reliability of the goods sold to TI, nor shall it make any changes to any specifications or requirements, unless it has first obtained TI's prior written consent.

## **17. Termination, Reschedule and Suspension**

- (a) Termination for Cause. TI may terminate this Purchase Order at any time upon written notice due to (i) Seller's failure to comply with the terms of this Purchase Order, including failure to comply with the ethical conduct standards described in Section 4, (ii) the winding up or liquidation of Seller's operations in the normal course of business, (iii) a material violation of applicable laws and regulations, (iv) the filing of a bankruptcy petition or proceeding seeking relief under applicable laws and regulations that is not dismissed within sixty (60) days after its filing or (v) the appointment of a receivership for all or substantially all of the Seller's assets. Upon the termination of this Purchase Order for cause, (A) neither party shall have any further obligation or liability to the other party as of the termination date unless expressly provided herein, (B) TI will pay all outstanding invoices for goods or services provided to TI prior to the termination date that meets the requirements set forth in this Purchase Order and these terms and conditions, (C) Seller shall promptly return all of TI's Confidential Information and if requested by TI, certify in writing that it has done so and (D) if requested by TI, Seller will cooperate with TI in good faith to assist TI to transition the performance of the services or provision of the goods to a third party or to TI's internal operations.
- (b) Termination for Convenience. TI may terminate the work to be performed hereunder in whole or in part at any time without cause by written notice to Seller without any liability or obligation to Seller. Upon notice of termination, Seller will inform TI of the extent to which it has completed its performance under this Purchase Order as of the date of the notice and collect and deliver to TI any goods, work product, or services, which then exists. TI will pay Seller for goods or services accepted and performed through the effective date of termination at the price set forth under the Purchase Order. TI will have no further payment obligation in connection with any termination.
- (c) Rescheduling and Suspension. TI may, at its discretion and with reasonable notice to Seller, reschedule or suspend the delivery of the goods or performance of services under this Purchase Order, in whole or in part, without any liability or further obligation to Seller.

## **18. Liability Limitations**

IN NO EVENT SHALL TI BE LIABLE TO SELLER FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES

ARISING OUT OF OR IN CONNECTION WITH THIS PURCHASE ORDER, EVEN IF TI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. In no event shall TI's liability to Seller for any breach of any provision of this Purchase Order exceed the purchase price for goods or services delivered and accepted hereunder.

## **19. Prices**

- (a) Except as provided by Section 16 above (Changes), TI may delay payment for any shipment as a result of any increase in price above the price indicated on this Purchase Order until the pricing discrepancy is resolved, at which time the payment terms set forth below shall apply. If Seller issues a general price decrease for any equipment and/or materials similar to the items described on this Purchase Order, a comparable price reduction shall automatically apply to the items described in this Purchase Order.
- (b) No extra charges of any kind, including charges for boxing or cartage, will be allowed unless specifically agreed to by a duly authorized TI representative in writing. Pricing by weight, where applicable, covers net weight of material, unless otherwise agreed.

## **20. Payment Terms**

The following payment terms are applicable to this Purchase Order:

- (a) Non-receivable goods
  - (1) Net Invoices. Net invoices of services or work delivered under this Purchase Order ("Non-Receiveable Goods") will be paid thirty (30) days after the invoice date unless otherwise stated on the Purchase Order or agreed to in writing by both parties.
  - (2) Discounted Invoices. Unless otherwise prohibited by applicable law, the acceptance of discount offers of Non-Receiveable Goods will be at TI's discretion and any discounted terms will be negotiated by the parties.
  - (3) All schedules of payments stated above are based upon receipt by TI of such Non-Receiveable Goods at particular TI site pursuant to the Purchase Order. TI shall have the right to set off any amounts which may become payable to Seller by TI against any amounts Seller may owe to TI under this Purchase Order.
  - (4) Invoices shall include a valid Purchase Order number, line item number, and in the currency corresponding to the applicable Purchase Order. Unless otherwise directed by TI in writing, Seller will issue an invoice corresponding to a single Purchase Order. All invoices for Non-Receiveable Goods must be submitted immediately upon completion of such Non-Receiveable Goods.
- (b) Receivable goods
  - (1) Delivery note. Delivery note of goods will be paid thirty (30) days after TI's receipt date of goods at particular TI site unless otherwise stated on the Purchase Order or agreed to in writing by both parties.
  - (2) All schedules of payments of goods stated above are based upon receipt by TI of such goods at particular TI site pursuant to the Purchase Order. TI shall have the right to set off any amounts which may become payable to Seller by TI against any amounts Seller may owe to TI under this Purchase Order.
  - (3) Delivery notes shall include a valid Purchase Order number, line item number corresponding to the applicable Purchase Order. Unless otherwise directed by TI in writing, Seller will issue a delivery note corresponding to a single Purchase Order. All delivery notes for goods must arrive at TI site before or at the same time as TI's receipt of such goods.

## **21. Taxes**

Seller is responsible for all taxes imposed by any taxing authority or government entity resulting from the provisions under this Purchase Order. Each payment to be made by TI under this Purchase Order shall be subject to any deduction, withholding or set-off of tax as may be required under applicable laws. Where applicable, Seller will upon request provide TI with appropriate tax documentation that may be necessary to prevent or minimize such deduction, withholding or set-off of tax. Seller must provide valid tax invoice prescribed under the VAT/GST Act of taxing authority or government entity resulting from the provisions under this Purchase Order.

## **22. Time of Delivery**

- (a) Seller acknowledges that time is of the essence of this Purchase Order. Seller will provide prompt notice to TI of any

delays in delivery. Failure to meet agreed upon delivery dates shall be considered a breach of contract and, in addition to any other rights available to it under this Purchase Order or at law or in equity, TI may cancel this Purchase Order without penalty if TI specified delivery dates will not be met. Seller agrees to reimburse to TI any penalty and damages imposed upon or incurred by TI to its customers or others by virtue of delays caused by Seller's failure to deliver goods or work on such delivery dates. Late shipments may be rejected by TI and returned to Seller at Seller's expense.

- (b) Unless otherwise agreed in writing, Seller shall not make commitments for material or production in excess of the amount or in advance of the time necessary to meet TI's delivery schedule. It is Seller's responsibility to comply with this schedule, but not to anticipate TI's requirements. Goods shipped to TI in advance of schedule may be returned to Seller at Seller's expense.

## **23. Contingencies**

- (a) Force Majeure. If, despite Seller's best efforts, Seller is prevented from delivering the goods or services referred to in this Purchase Order as a result of governmental actions or regulations, fires, natural disasters and other similar unforeseeable causes beyond the reasonable control of Seller, the obligation to deliver shall be suspended for no longer than a reasonable time during which such causes continue to exist ("Force Majeure Period"). Seller must (i) give TI immediate, detailed written notice of the initial situation as soon as possible, (ii) deliver ongoing detailed status reports to TI regarding its efforts to fully remedy the situation and (iii) deploy all available reasonable resources to mitigate the impact of the delay on TI. TI may procure goods or services from a third party during the Force Majeure Period without any liability or obligation to Seller. Should the Force Majeure Period persists for more than forty-five (45) days, TI may, at its option, cancel this Purchase Order without liability or have Seller resume delivery upon removal of the intervening condition.
- (b) Seller is not excused by this Section from any of its obligations due to any reasonably foreseeable or preventable situation (including, but not limited to, late or insufficient deliveries by other suppliers, personnel turnover, labor disputes or strikes involving Seller's own personnel, third party equipment or software changes).
- (c) Seller must maintain an appropriate plan to ensure business continuity in the event of a business interruption event (e.g., an ISO 22301-compliant continuity plan), and Seller must make a detailed outline of the contents of that plan available to TI for review upon request. Additionally, within twenty-four (24) hours after an incident that triggers Seller's continuity plan, and also within twenty-four (24) hours of TI's request thereafter, Seller must communicate to TI the impact of the event on Seller's products and operations and what steps Seller is taking (and plans to take) to remediate that impact. In the event of any event that triggers that continuity plan, Seller must exercise the relevant actions in the plan in order to maintain continuity of supply to TI.

## **24. Over-Shipments**

Seller is instructed to ship only the quantity(ies) specified in this Purchase Order. Any deviation caused by conditions of loading, shipping, packing, or allowances in manufacturing processes, however, may be accepted by TI according to the over-shipment allowance indicated on the face of this Purchase Order. If no allowance is shown, it shall be 0% (zero percent). TI reserves the right to return any over-shipment in excess of the allowance at Seller's expense.

## **25. Packing and Shipping Instructions**

- (a) Unless otherwise instructed by TI on the face of this in the Purchase Order, Seller agrees to insure that shipments are properly packed and described in accordance with TI specifications and /or applicable carrier regulations. Shipments will be made in accordance with TI's Supplier Packing and Labeling Manual, Shipping instructions and Global Routing Guide which is updated periodically and is located at <https://wpl.ext.ti.com/itc/itc.htm>. TI may assist Seller by providing freight classifications or classifying material. Seller will not insure or declare value on shipments, unless TI specifies otherwise. When shipping via small parcel, Seller will ship freight collect. Seller shall consolidate shipments daily on one bill of lading per mode to avoid premium freight costs, unless instructed otherwise by TI. In case of any shipment that does not correspond to normal past practice between TI and Seller, or to standard practice in the industry, (e.g., requires special handling equipment or air ride suspension, or air shipment over weight break threshold, over 120 inches long or wide or over 56 cubic feet, etc.) Seller agrees to notify TI's appropriate transportation department and Global Routing Center as listed on this Purchase Order, 72 hours prior to shipment for special shipping instructions. Seller shall notify TI's Global Routing Center at least ten (10) days in advance of shipment for any capital manufacturing equipment. All truck shipments must be classified by Seller using the current "National Motor Freight Classification Tariff". Each box, crate or carton will show TI's full street address (not just post office box numbers) and Purchase Order and item numbers regardless of how shipped. On small parcel shipments, a packing list shall accompany each container and shall describe the contents of that container. On other shipments, Seller will provide a packing list to accompany each shipment, referencing the appropriate Purchase Order and item number. The bill of lading also will reference the Purchase Order and item number in the appropriate Customer Reference field whether transmitted on paper or electronically. Seller is responsible for packing any shipment correctly based on the carrier/mode utilized. Charges for packing and crating shall be deemed part of the purchase price, and no additional charges will be made therefor unless specifically requested by TI on the Purchase Order. Seller agrees to ship via the carrier specified by TI and TI's Global Routing Center. Failure to ship via TI specified



carrier will subject Seller to misroute debit and charge back of freight cost.

- (b) All premium freight cost incurred by TI or Seller beyond that specified by TI shall be borne by Seller. Seller is responsible for all shipments that are damaged in transit due to improper packaging, improper judgment or any other act or omission of Seller, shipper or carrier. On all FCA origin shipments Seller will ship freight collect.

## **26. Trade Compliance**

- (a) Exports, re-exports, and transfers of products, services or any other items provided to Seller by TI or otherwise obtained by Seller from TI pursuant to these terms and conditions (collectively, the "Items") may be subject to U.S. and Japanese export controls and sanctions. Seller acknowledges and agrees that (a) it will comply with all applicable laws and regulations, (b) the Items may not be exported, re-exported, sold or transferred to U.S. embargoed, sanctioned, or restricted destinations, persons, or entities without first obtaining any necessary governmental authorization and (c) it will require all of its contractors, subcontractors, suppliers and vendors to comply with the requirements set forth in subclauses (a) and (b).
- (b) Each party shall, at its own expense, secure export and import authorizations necessary to fulfill its obligations under this Section 26. Seller will indemnify and hold the Indemnified Persons (including its agents and representatives) harmless against any Claims arising out of Seller's non-compliance with this section. If any required authorization cannot be obtained, or in the event Seller breaches this Section 26, TI may terminate, cancel, or otherwise be excused from any obligations that it may have under these terms and conditions. TI product classifications are for convenience only and shall not be construed as a representation or warranty of any kind; Seller is responsible for its own compliance obligations.
- (c) Notwithstanding anything to the contrary contained on the face of this Purchase Order, including any specified Incoterm, Supplier shall be solely responsible for payment of all applicable tariffs, duties, levies and similar costs in connection with the import or export of goods supplied hereunder. Supplier shall, at no additional cost to TI provide cooperation and prompt support in connection with any TI's requests for information reasonably necessary to respond to inquiries from customs authorities, facilitate preferential tariff treatment or to otherwise comply with applicable import laws and regulations. Such cooperation shall include, without limitation, Supplier providing Harmonized Tariff Schedule codes and Export Control Classification Numbers for all goods supplied hereunder, along with any supporting origin documentation as may be reasonably requested by TI.
- (d) These clauses shall survive termination or cancellation of this Purchase Order.

## **27. Record Keeping and Audits**

- (a) Seller shall identify, create and safely retain full and detailed accounts and exercise all such controls as may be necessary or helpful for proper financial management, quality system management, documentation and compliance under this Purchase Order. Seller's records, books, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data related to this Purchase Order ("Records") shall be preserved for a period of three (3) years after final payment or for such longer period as may be required by law.
- (b) Seller shall retain quality and reliability records related to the Purchase Order for at least five (5) years from the date of the creation or longer as may be required by law. At a minimum, quality and reliability records shall include quality management system certifications, supplier approval and performance assessments, product final acceptance and reliability results, process/product change qualifications, returned material analysis and corrective actions reports, and so forth.
- (c) TI shall have the right to audit all of Seller's Records (in whatever form they may be kept, whether written, electronic or other) and Seller's operations related to this Purchase Order. Seller agrees to provide TI's internal and external auditors with access to Seller's offices and/or manufacturing locations and relevant records and physical items during normal business hours, for purposes of auditing Seller's compliance with the terms of this Purchase Order. TI shall provide Seller with at least twenty-four (24) hours prior written notice of its intention to audit Seller. TI's right to audit under this section shall also include subcontractors (which subcontractors must be approved by TI as provided below). Seller shall ensure that its agreements with its subcontractors include TI's audit rights.

## **28. Supply Chain Security**

Seller agrees that it will comply with applicable TI supply chain security requirements in providing goods or performing services for TI and that it will provide supply chain security information to TI as requested, including information about Seller's status with regard to the US Customs Trade Partnership Against Terrorism ("C-TPAT") initiative, including provision of Seller's C-TPAT account number where applicable. If requested by TI, Seller will ship goods using only TI-authorized transportation providers.

## **29. Cybersecurity**

If Seller requires access to TI's internal computer network and any tools and equipment connected thereto, and related software ("TI

Systems”), Seller shall fully comply with the TI policies, procedures, standards and guidelines related to the access and use of the TI Systems (“TI Information Access Policies”) set forth at <https://wpl.ext.ti.com/Content/File/41>. Additionally, any of Seller’s employees, contractors, agents and subcontractors (collectively, “Seller’s Personnel”) having access to the TI Systems must complete TI’s Information Security Awareness training provided by TI. TI may revoke or suspend access to the TI Systems for any of Seller’s Personnel that do not comply with the requirements of this paragraph or that misuse the TI Systems, and Seller shall be responsible for any delays resulting from such revocation or suspension. In addition to the TI Information Access Policies, Seller shall follow all other specific security practices and requirements previously agreed with or identified by TI, and in no event or circumstance shall ever employ less than commercially reasonable information technology security practices as appropriate for the services.

**30. Intentionally Omitted.**

**31. Assignment and Subcontracting**

Seller shall not assign or transfer its performance obligations without TI’s prior written consent, and any attempted assignment or transfer without such consent shall be void. Seller shall not subcontract any portion of the work to be performed by Seller under this Purchase Order without the prior written consent of a duly authorized TI representative.

**32. Seller Ownership Change**

Seller will notify TI immediately in writing in the event Seller is acquired by or merges with any other company, or a majority or controlling interest in Seller is obtained by another company.

**33. Ozone Depleting Substances**

Except where TI has given written approval to Seller in advance of shipment, Seller hereby agrees that it has not used or introduced a Class I ozone depleting substance (ODS) or introduced a Class II ODS (as such terms are defined in 40 CFR 82.104), into any product being supplied to or imported by TI under this Purchase Order. Where a duly authorized TI representative has so agreed to accept product containing or manufactured using an ODS, Seller will label the product with a warning or will otherwise effectively warn TI of such use in accordance with 40 CFR 82, Subpart E. Should Seller choose to warn TI through a mechanism other than a warning label or other warning accompanying the shipment, a copy of such warning shall be sent to TI, in advance of shipment. Breach of this provision will entitle TI to all remedies available for breach of this Purchase Order, including without limitation, the right to reject the product and/or terminate the agreement.

**34. TI Controlled Chemicals and Materials**

Seller shall comply with the TI Controlled Chemicals and Materials Specification, Number 6453792, which is updated periodically and is located at <https://wpl.ext.ti.com/ccms/ccms.htm>.

**35. Conflict Minerals**

Seller will promptly provide information to TI, in the format reasonably requested by TI, to assist TI in meeting its obligations or responding to third-party requests relating conflict minerals, such as gold, tungsten, tin, and tantalum and their derivatives, (“Conflict Minerals”) as such minerals are defined pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementing regulations as amended periodically or other rules of a similar nature (collectively, the “Conflict Minerals Rules”). The foregoing includes but is not limited to providing TI with information relating to Seller’s process for determining the source of any Conflict Minerals supplied to TI or used in Seller’s products supplied to TI. Seller further agrees to comply, to the extent applicable to Seller, with the Conflict Minerals Rules and with the then-current TI Conflict Minerals Policy located at <https://wpl.ext.ti.com/Content/File/38>. Seller will adopt policies and establish systems to procure conflict minerals from sources that have been third-party verified as conflict free.

**36. Anti-Social Forces**

Seller represents to TI that its employees, directors or officers do not, and will not (i) belong to, or be otherwise involved in, mafia organizations, mafia related corporations, racketeers or any other organized crime group (“Anti-Social Forces”); (ii) provide funds, or knowingly provide services, to any Anti-Social Forces; (iii) knowingly have any other relationship with any Anti-Social Forces; or (iv) use, or have any Anti-Social Forces use, threatening behavior or violence in business transactions, disseminate false information, employ fraudulent means or methods that obstruct the business operations of TI, or use, or have any Anti-Social Forces use, any other behavior that is similar to these actions. TI may terminate this Purchase Order at any time without any prior notification in the event that Seller is in breach of this Section 36. TI is not responsible for any losses or damages suffered by Buyer as a result of such termination.

**37. Reservation of Rights**

TI expressly reserves all rights and remedies that are available to it at law or equity, including but not limited to rights and remedies set forth in the Uniform Commercial Code or other applicable laws.

**38. Waiver**

Any failure of TI to enforce any of the provisions of this Purchase Order at any time, or for any period of time, shall not constitute a waiver of such provisions nor of TI's right to enforce each and every provision.

**39. Attachments**

Any attachments referenced on the front side of this Purchase Order shall be deemed for all purposes to be an integral part of this Purchase Order. In the event of an irreconcilable conflict between such referenced attachments and the terms stated therein, the terms of such attachments shall control.

**40. Government Contract Provisions**

TI products are often used by our customers for end applications purchased by the U.S. Government. In such situations, U.S. Government procurement regulations, including but not limited to the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS) (collectively "Government Procurement Regulations"), may apply to TI's sale of our products. In the event that Seller's goods and/or services are used in relation to such TI products, TI may be required to flow down to Seller certain Government Procurement Regulations. At a minimum, Seller agrees to comply with the provisions of 18 C.F.R. §52.244-6 (*Subcontracts for Commercial Items*; also found at FAR 52.244-6). Seller also agrees to comply with other Government Procurement Regulations that TI identifies as a requirement for TI's purchases of Seller's goods and/or services. Any Government Procurement Regulation clause, which by its terms is required to be included in a U.S. Government subcontract for TI products, is hereby incorporated into these terms and conditions when applicable.