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## NATEL Engineering Co., Inc. Terms and Conditions

**1. Acceptance** – Any sale resulting from the preceding quote (the Quote) is expressly limited to the terms of the Quote (or any subsequent revision of this Quote, as the case may be, whether or not these Terms & Conditions accompany the revised Quote), these terms and conditions, and any documents attached or referenced hereto. Any additional or contrary terms contained in any oral communications or written documents sent by Customer either before or after the Quote are hereby rejected, unless expressly accepted in a writing signed by an authorized representative of NATEL Engineering Co., Inc. (“NATEL”). No waiver, alteration or modifications of terms herein shall be binding unless made in a writing signed by an authorized officer of NATEL. Customer’s acceptance of delivery of any shipment of products covered by the Quote, or any subsequent revision of the Quote, shall constitute an acceptance in full of these terms and conditions regardless of whether these terms and conditions are attached to subsequent revisions of the Quote. The Quote (including subsequent revisions), these terms and conditions, and any agreement resulting therefrom, shall be construed as an agreement made in the State of California, and the rights and duties of the parties hereto shall be determined in accordance with the laws of the State of California.

**2. Production Pricing / Non-recurring expenses** – Due to electronic component market conditions, NATEL reserves the right to adjust the sell price if the Bill of Material cost increases 3% or greater from the original quoted cost per component after notification to Customer. In addition, if material lead-times exceed the planned forecasts, any “expedited” material costs will be adjusted into the sell price after notification to Customer.

Material lead times quoted reflect current market conditions at the time of the quotation request. Actual lead-time may vary at the time of purchase order placement. Actual lead-time will be confirmed after receipt of the purchase order. Any additional procurement costs incurred by NATEL to obtain Customer-requested delivery earlier than the lead-time confirmed when the purchase order is placed are the responsibility of Customer.

Consignment: Materials supplied by Customer to include 2% overage for process losses. All Customer material to be supplied pre-tested and include part number, assembly number, and count on the packaging. Production pricing assumes material will be provided in the format required for our production processes.

**3. Released Production Information** – The following release production documentation, dated and signed by an authorized representative of Customer, is to be supplied with each new product release: (Ref IPC-D326)

- a. Scope of Work
- b. Assembly drawing
- c. Schematic
- d. Test specifications (functional, etc.)
- e. Workmanship specifications (if other than IPC standards)
- f. Bill of Materials
- g. Gerber files and drawings of bare board (as applicable)
- h. Certified functional sample



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Unless otherwise agreed to in a writing by an authorized representative of NATEL, all products covered by the Quote are being manufactured per designs and specifications determined and/or provided by the Customer vis-à-vis the above referenced release production documentation. NATEL therefore makes no guarantees, representations, or warranties with regard to the validity, completeness, accuracy, functionality, suitability, performance or fitness for any particular purpose of those designs and specifications, and expressly disclaims any responsibility, liability and warranty associated with the validity, completeness, accuracy, functionality, suitability, performance or fitness for any particular purpose of those designs and specifications, and for the products and services that may result from any reliance or use those designs and specifications.

#### **4. Warranty Agreement**

NATEL MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE PRODUCTS, MATERIALS, OR SERVICES COVERED BY THE QUOTE OTHER THAN THE LIMITED WARRANTY EXPRESSLY STATED IN THE PARAGRAPH WHICH IMMEDIATELY FOLLOWS, WHICH IS EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH NATEL EXPRESSLY DISCLAIMS TO THE FULLEST EXTENT PERMITTED BY LAW.

NATEL hereby warrants that services covered by the Quote will be performed using reasonable care and skill when performed, as is consistent with its standard practices. NATEL also warrants that the products covered by this Quote shall meet the designs and specifications determined and/or provided by the Customer vis-à-vis the release production documentation referenced in Paragraph 3 above (“the Specifications”) and will be free from defects in workmanship under normal use and service. NATEL will repair, replace, or credit, at its sole option, items provided for under this Quote that do not meet the Specifications or that are not free from defects in workmanship so long as Customer provides NATEL with written notice of said defects within 1 year after the items are delivered to Customer. This limited warranty does not cover damage to or defects in the product resulting from accident, misuse, unintended use, improper installation or operation, faulty (i.e. defective, inaccurate, incomplete or invalid) designs or specifications, improper storage, unauthorized repair or alteration, the combination of the product or service with another product or service not provided or performed by NATEL, or a product which NATEL did not provide or for which NATEL is not responsible. To the extent it can legally do so, NATEL shall pass through to Customer all manufacturers’ warranties for materials and shall cooperate with Customer to process any warranty claims made to those manufacturers resulting from defects in material.

NATEL shall approve, in advance, all work to be performed on the products covered by the Quote. A return material authorization (“RMA”) must be obtained by Customer prior to return shipment. Shipments shall be prepaid and insured by Customer. Return cost for valid returns shall be paid by NATEL. A shipping, handling and engineering evaluation charge shall be assessed for invalid warranty returns at a rate that will be mutually established.



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Engineering prototypes are manufactured for the purpose of allowing the Customer to evaluate the functionality of its designs and specifications and are provided “as is.” Prototypes are not for further transfer, sale, use or distribution, and are not warranted or guaranteed by NATEL, with the express warranty as provided in the above paragraph of this Section being void. NATEL disclaims, to the maximum extent permitted by law, any liability for any consequence, damage, injury or harm in the event Customer transfers, uses, sales or distributes such engineering prototypes to any other person or entity.

The title to the products covered by the Quote will pass to Customer when the goods are made available by NATEL to the carrier or to Customer if such goods are to be picked up by Customer, and as of that time the Customer will be solely responsible for and bear the entire risk of loss or damage to the goods.

### **5. Limitation of Liability**

REGARDLESS OF THE CLAIM, AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, NATEL SHALL NOT BE LIABLE TO THE CUSTOMER OR ANYONE MAKING A CLAIM ON BEHALF OF OR THROUGH THE CUSTOMER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS OR OPPORTUNITIES, OR DAMAGE TO GOODWILL, WHETHER SUCH DAMAGES ARE SOUGHT THROUGH A CLAIM OR CLAIMS GROUNDED IN CONTRACT, TORT OR UPON ANY OTHER LEGAL THEORY. NATEL'S CUMULATIVE LIABILITY FOR ALL CLAIMS WHATSOEVER RELATED TO THE PRODUCTS AND SERVICES COVERED BY THIS QUOTE SHALL NOT EXCEED THE TOTAL AMOUNTS PAID TO NATEL BY CUSTOMER FOR THE PRODUCT OR SERVICE GIVING RISE TO THE CLAIM.

### **6. Confidentiality**

Both parties acknowledge and agree that in order to fulfill the terms and conditions of a purchase order, it may be necessary to disclose, from time to time, confidential information of their respective companies including but not limited to methods of doing business, manufacturing techniques, use of materials or components, technical information, service or warranty information, pricing, sourcing, sales and business plans (“Confidential Information”). In such event, the party receiving such Confidential Information agrees not to disclose or use such Confidential Information other than as reasonably necessary to fulfill its duties and obligations under a purchase order or as may be ordered by a court of competent jurisdiction of other state, local or federal agency.

### **7. Indemnification**

Customer agrees, at its expense, to indemnify, defend and hold NATEL harmless in any suit, claim, or proceeding brought against NATEL alleging that any product or part thereof manufactured pursuant to these terms and conditions per designs and specifications required by Customer directly or indirectly infringes upon any patent, copyright, trademark, or mask work provided Customer is promptly notified, and given the assistance required by NATEL, and permitted to direct the defense. Customer also agrees, at its expense, to indemnify, defend and hold NATEL harmless against any claim or proceeding that alleges loss, damage, expense, or injury including without limitation total or partial product recalls, which arises from any failure to warn relating to the product or defect in the design or specification of any product, provided Customer is promptly notified and given the assistance required by NATEL and permitted to direct the defense.

**8. Force Majeure** – NATEL shall have no liability for any loss or delays in delivery owing to strikes, accidents, fire, transportation, acts of God, acts of terrorism, or any other causes beyond control of NATEL.



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**9. Compliance with Law** – NATEL agrees that, in the performance of all work hereunder, it will be in substantial compliance with all applicable laws, rules, regulations, ordinances and orders of the United States Government, and of all applicable state or political subdivisions thereof.

**10. Mediation and Arbitration** – In the event of any dispute, claim or disagreement arising out of or relating to the Quote (including subsequent revisions), these terms and conditions, or the products and services provided by NATEL to Customer, both parties agree that they will use their best commercially reasonable efforts to settle the dispute, claim or disagreement. In that regard, the parties agree that senior management from NATEL and Customer will consult and negotiate with each other in good faith for a period of 30 days from written notice by either NATEL or Customer invoking this paragraph, in an effort to reach a just and equitable resolution of dispute, claim or disagreement.

If NATEL and Customer do not resolve the dispute, claim or disagreement within that 30 day period, then, the NATEL and Customer shall engage in binding arbitration in Los Angeles, California, administered by AAA under its the Commercial Arbitration Rules. Each Party will be responsible for its own attorneys' fees and costs of the arbitration proceeding, and the arbitrator shall not be authorized to award legal fees and expenses (including, without limitation, arbitrator fees and expenses) to either Party. Additionally, in no case shall NATEL or Customer be entitled to punitive damages in any arbitration proceeding, and any monetary award entered shall be due and payable within thirty (30) days after the date such award is entered. Judgment upon any arbitration award may be entered in any court having jurisdiction. The substantive laws of the State of California shall apply in any arbitration proceeding.

Notwithstanding anything to the contrary herein, nothing in this section shall limit the right of NATEL or Customer to obtain provisional or ancillary remedies such as injunctive relief from a court having jurisdiction, before, during, or after the pendency of any arbitration proceeding. The institution and maintenance of any action for such judicial relief, or the pursuit of provisional or ancillary remedies, shall not constitute a waiver of the right or obligation of either party to submit any claim or dispute to arbitration, nor is the right to seek such relief from a court intended to limit the power of an arbitrator to grant any similar relief sought by a party. Both NATEL and Customer will cooperate in using telephone, or video conference or online options when such technology is available to ensure that the process is as cost efficient and equitable for all Parties as is practicable.

**11. Payment and Delivery Terms** – Payment terms for NATEL Invoices is net 30 with 1.5% charge per month imposed on overdue accounts. Delivery is FOB Shipping Point. Pricing in the supplied quote is valid for 30 days.