

**Standard Terms & Conditions**

This Purchase Order (PO) is the exclusive agreement between Tonal and Supplier for the goods, subject to the Standard Terms and Conditions contained herein. Supplier is deemed to accept this PO on the earliest of: (a) furnishing of any goods under this PO; or (b) acceptance of any payment. Additional or different terms and conditions proposed by Supplier shall be void and of no effect unless accepted in writing by Tonal. Until so accepted, Tonal reserves the right to return goods, at Supplier's expense. In the event of a conflict between the Supplier's terms of acceptance and the PO Terms and Conditions, the PO Terms and Conditions shall govern unless Tonal agrees in writing to the Supplier's proposed terms.

**1. PO Identification**

The PO number must appear on all invoices, bills of lading, packing slips, cartons, and correspondence.

**2. Delivery**

Delivery must be completed within the delivery schedule stated on this PO. Otherwise, Tonal reserves the right to (a) cancel this PO without liability and to charge Supplier with any loss incurred as a result of Supplier's failure to make the delivery within the delivery schedule specified; or (b) reduce the fees payable to Supplier by 0.1% of the total price for every day a delivery is late.

**3. Payment**

Supplier shall invoice Tonal upon delivery of the goods and payment shall be made within the stated period after receipt of the invoice. Payment shall be made to the Supplier as stated in the "Terms of Payment" of the Purchase Order.

**4. Adjustments**

Tonal reserves the right to change at any time the quantity, packaging, unit size, place and/or time of delivery. Supplier agrees to proceed with this PO in accordance with any such change(s) and to submit a claim request for an equitable adjustment in the PO price or delivery term caused by such change(s). Tonal may deem any claim by Supplier for equitable adjustments under this clause waived unless asserted in writing within 10 days from receipt by Supplier of Tonal's change(s). No change in, modification of, or revision to this PO shall be valid unless in writing and signed by an authorized representative of Tonal.

**5. Packaging**

Supplier must provide proper and adequate packaging in accordance with best commercial practice, to ensure that the material being shipped to Tonal will be free of damage. Packaging must be adequate to allow for rough handling during transit, exposure to extreme temperatures, salt and precipitation during transit and open storage, with consideration for the type of Goods and transportation mode. Tonal reserves the right to reject any shipment that is deemed not to have been packaged adequately.

**6. Inspection and Acceptance**

- a) Tonal or its representative shall have the right to inspect and/or test the goods at no extra cost to Tonal at the premises of the Supplier, at the point of delivery or at the final destination. The Supplier shall facilitate such inspections and provide required assistance.
- b) Tonal shall have 30 calendar days after proper receipt of the goods purchased to inspect them and either accept or reject them as non-conforming with this PO. Based on an inspection of a valid sample, Tonal may reject the entire delivery. Tonal may also charge the cost of inspecting rejected goods to Supplier. All rejected goods will be returned to Supplier, transportation charges collect, or held by Tonal for disposition at Supplier's risk and expense. Supplier agrees that Tonal's payment under this PO shall not be deemed acceptance of any goods delivered hereunder. Tonal's right to reject the Goods shall not be limited or waived by the Goods having been previously inspected or tested by Tonal prior to delivery.
- c) The Supplier agrees that any acceptance by Tonal does not release the Supplier from any warranty or other obligations under this Contract.
- d) Title to the goods shall pass when they are delivered and accepted by Tonal. Risk of loss, injury, or destruction of the goods shall be borne by Supplier until title passes to Tonal.

**7. Warranties**

7.1 Supplier represents and warrants that:

- (a) The goods conform to the specifications, drawings, samples, or other descriptions furnished or specified by Tonal and are free from defect in material and workmanship. This warranty shall remain valid for twelve (12) months after the Goods have been delivered to and accepted at the final destination. Tonal's continued use of such goods after notifying Supplier of their defect or failure to conform will not be considered a waiver of Supplier's warranty. At Supplier's own expense and at Tonal's election, Supplier will repair or replace products that do not conform to Tonal's specifications. If Supplier is unable to do so within a reasonable period of time, Tonal may return the defective product and acquire substitute products from other vendors. Supplier will refund Tonal for the returned products and reimburse Tonal for return shipping and other expenses as well as the replacement product costs (to the extent it exceeds the refunded amount), freight and logistics charges, rework charges, other actual charges.
- (b) It has full title to the goods and is a company financially sound and duly licensed, with adequate human resources, equipment, competence, expertise and skills necessary to carry out fully and satisfactorily, within the stipulated completion period, the delivery of the goods in accordance with this PO;
- (c) It shall comply with all antibribery, forced, involuntary or and child labor and other applicable laws, ordinances, rules and regulations when performing its obligations under this PO;
- (d) No official of Tonal or any third party has received or will be offered by the Supplier any direct or indirect benefit arising from the PO or award thereof;
- (e) It has not misrepresented or concealed any material facts in the procuring of this PO;
- (f) The Supplier, its staff or shareholders have not previously been declared by Tonal ineligible to be awarded contracts by the Tonal;
- (g) It will abide by the highest ethical standards in the performance of this Contract, which includes not engaging in any discriminatory or exploitative practice or practice inconsistent with the rights set forth in the Convention on the Rights of the Child;
- (h) The prices established hereunder shall not exceed those offered for similar goods to Supplier's other customers;
- (i) The remuneration of the Supplier under this PO shall constitute the sole remuneration in connection with this PO. The Supplier shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this PO or the discharge of its obligations thereunder. The Supplier shall ensure that any subcontractors, as well as the personnel and agents of either of them, similarly, shall not receive any such additional remuneration.
- (j) It shall take all appropriate measures to prevent actual, attempted or threatened sexual exploitation or abuse and/or the exchange of money, goods, or services for sexual favours or activities by its employees or any other persons engaged and controlled by it to perform any activities under this Agreement.
- (k) In the event of subcontracting approved by Tonal in accordance with this Agreement, it shall receive a written confirmation from subcontractors that they accept the standards above and shall include them in all subcontracts.

**8. Indemnification**

The Supplier shall at all times defend, indemnify, and hold harmless Tonal, its officers, employees, and agents from and against all losses, costs, damages and expenses (including legal fees and costs), claims, suits, proceedings, demands and liabilities of any kind or nature to the extent arising out of or resulting from: (a) acts or omissions of the Supplier or its employees, officers, agents or subcontractors, in the performance of this Contract, or (b) third party claims that deliverables infringe any patent, trademark, copyright or other intellectual property right of a third party, or misappropriate trade secrets of a third party. Tonal shall promptly notify the Supplier of any written claim, loss, or demand for which the Supplier is responsible under this clause. This indemnity shall survive the expiration or termination of this Contract.

**9. Termination and Reprourement**

- (a) Tonal may terminate this PO at any time with one week written notice to Supplier. Any monies paid in advance by Tonal shall be refunded no later than the date of termination.
- (b) If Tonal terminates this PO in whole or in part for default on the part of the Supplier, it may acquire elsewhere goods similar to those terminated and Supplier shall be liable for any excess costs to Tonal for those goods. Supplier shall not be liable for any excess costs if the failure to perform under this PO arises from causes beyond its control and without fault or negligence of the Supplier.

**10. Independent Contractor**

The Supplier shall supply goods pursuant to this PO as an independent contractor and not as an employee, partner, or agent of Tonal.

**11. Audit**

The Supplier agrees to maintain records, in accordance with sound and generally accepted accounting procedures, of all direct and indirect costs of whatever nature involving transactions related to the provision of services under this Agreement. The Supplier shall make all such records available to Tonal or its designated representative at all reasonable times until the expiration of seven years after the date of final payment, for inspection, audit, or reproduction for the purpose of verifying services or quantities delivered, or the right of Supplier to any price adjustment or extra charge claimed under this PO. On request, employees of the Supplier

shall be available for interview.

**12. Settlement of Dispute**

This Agreement shall be governed by the laws of the State of California, USA, notwithstanding any choice of law rules of any jurisdiction that would cause the application of another jurisdiction's laws or rules. This Agreement shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods or the Uniform Computer Information Transactions Act. Any legal action relating to this Agreement must be brought in the federal or state courts in San Francisco County, California, U.S.A., and the parties agree to the exercise of jurisdiction by such courts.

**13. Confidentiality**

All information about Tonal and/or related to this PO which comes into the Supplier's possession or knowledge is to be treated as strictly confidential. The Supplier should not communicate such information to any third party without the prior written approval of Tonal. These obligations shall survive the expiration or termination of this PO.

**14. Use of Tonal Name**

The use of the official logo and name of Tonal may only be used by Supplier in connection with this PO and with the prior written approval of Tonal.

**15. Assignment and Subcontracting**

The Supplier shall not assign or subcontract the Contract or any work under this Contract in part or all, unless agreed upon in writing in advance by Tonal. Any subcontract entered into by the Supplier without approval in writing by Tonal may be cause for termination of the PO.

**16. Waiver**

Failure by either Party to insist in any one or more instances on a strict performance of any of the provisions of this PO shall not constitute a waiver or relinquishment of the right to enforce the provisions of this PO in future instances, but this right shall continue and remain in full force and effect.

**17. Severability**

If any part of this PO is found to be invalid or unenforceable, that part will be severed from this PO and the remainder of the PO shall remain in full force.