

Axiom Electronics LLC

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1) ACCEPTANCE

Agreement by Seller to furnish the goods hereby ordered or the finishing of such goods by Seller in whole or part shall constitute acceptance by Seller of this order. Any terms and conditions proposed by Seller inconsistent with or in addition to the terms of purchase contained herein shall be void and of no effect, unless specifically agreed to by Buyer.

2) SHIPMENT

Unless otherwise specified on the face of the order, all goods must be delivered FOB Destination (IncoTerm: DDP). Title and risk of loss or damage will pass to Buyer at Buyer's dock upon acceptance. Each case or parcel shall be accompanied by a packing list of contents and must show Buyer's Purchase Order number. If no packing list accompanies the shipment, Buyer's count will be conclusive on the Seller. Item(s) furnished in quantities other than that specified by the Buyer on the Order are subject to Buyer's rejection and will be returned at Seller's expense.

3) DELIVERY DATE

Deliveries shall not arrive in excess of five business days early nor zero days late of confirmed due date. Buyer may return this order for early delivery without any cost to Buyer. Seller shall notify Buyer immediately of any delay in delivery, Seller's notice shall include the reasons for the delay and the actions being taken to overcome or minimize the delay. Such notice shall include a revised delivery schedule and shall not constitute a waiver to Buyer's rights and remedies hereunder. Buyer may cancel this order for late delivery without cancellation charge.

4) PACKAGING AND EXTRAS

No charges will be allowed for transportation, packaging, packing or returnable containers unless otherwise specified by Buyer. Damage to any item(s) resulting from improper packaging will be charged to the Seller.

5) ASSIGNMENT

The order is not assignable without prior written consent of the Buyer and any attempted assignment without consent shall be void.

6) SPECIFICATIONS

All item(s) ordered to specifications shall comply with such specifications current as of the date of the Order unless otherwise specified by Buyer. Supplier shall flow down applicable product specifications, descriptions and requirements to sub-tier suppliers including key characteristics as required.

7) TAXES

The price(s) stated on the face of the Order include all taxes and import duties.

8) INDEMNITY

Seller shall defend Buyer and hold Buyer harmless against all claims of infringement of the rights of others and against all claims of injury or damage arising out of any act or failure to act by Seller in connection with Buyer's purchase hereunder.

9) TERMS OF PAYMENT

The payment due date shall be computed from the actual delivery date specified in Section 3 and receipt of a correct invoice. Payment shall be deemed made on the date Buyer's check is mailed or payment is otherwise tendered.

10) CHANGES

Buyer shall have the right by written order to make changes in the good to be furnished by Seller hereunder. If such changes cause an increase or decrease in the cost of performance of this order or in the time required for its performance, an equitable adjustment shall be negotiated promptly and the order shall be modified in writing accordingly. Any claim by the Seller for adjustment under this paragraph must be asserted in writing within thirty (30) days of the receipt of the notice of change and must include the amount claimed and support cost figures.

11) CANCELLATION/TERMINATION

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Buyer shall have the right to cancel/terminate the Order or any part thereof at any time. Upon receipt of a notice of cancellation/termination from Buyer, Seller shall stop work and immediately take the necessary action to ensure that all work under the order shall cease and to the extent specified in the Buyer's notice of cancellation/termination, that all subcontracts and orders are forthwith cancelled/terminated immediately. Seller shall be entitled to reasonable cancellation charges unless Seller shall be in default of performance of the order. Cancellation charges shall be limited to the cost incurred in the performance of the work terminated and in the settlement of all claim arising out of such termination. The total cancellation charges shall in no event exceed the total purchase order price reduced by the purchase order price of the work not terminated. Seller will transfer to Buyer ownership of the property, the cost of which is reimbursed to the Buyer under Section 11. However, the fair value of any such property destroyed, lost, stolen or damaged shall be excluded from the cancellation charges. Nothing in this Section 11 shall affect the right of the Buyer to cancel the order under the provisions of Section 3.

12) TERMINATION FOR CAUSE

Buyer may with written notice to Seller, without prejudice to any other rights or remedies provided under this Order, by law or in equity, terminate the Order in whole or part in any of the following circumstances:

- a) If Seller has been declared bankrupt, makes assignment for the benefit of creditors, or is in receivership; or
- b) If the Seller fails to perform the work or deliver item(s) in accordance with the performance requirements or delivery schedules; or
- c) Fails to perform any of the other terms of the Order. In the event Buyer terminates the Order in whole or part thereof as provided in Section 12, Buyer may procure, upon such terms and in such a manner as it may deem appropriate, supplies or services similar to those so terminated, and Seller shall be liable to Buyer for any excess costs, reasonably incurred for such similar supplies and services; provided that the Seller shall continue the performance of the Order to the extent not terminated under the terms of Section 12.

13) LIMITATION OF LIABILITY

Buyer's maximum aggregate liability for its acts or omissions hereunder shall be limited to a sum no greater than the aggregate value of the Item(s) scheduled for delivery per the Order issued. FURTHER, IN NO EVENT SHALL BUYER BE LIABLE FOR PUNITIVE, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR ITS ACTS OR OMISSIONS HEREUNDER.

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14) WAIVER

Buyer's failure to assert its rights under any provision of these terms shall not be deemed a waiver of such rights, nor shall any waiver be implied from the acceptance of or payment for any goods ordered hereunder. No waiver by Buyer shall be valid unless made in writing and signed by an authorized officer of the Buyer.

15) DISPUTE RESOLUTION/JUDGEMENT

a) **Dispute** - If a dispute arises out of or relates to the Order, and cannot be resolved through good faith negotiations within sixty(60) days after such dispute arises either Party may refer such claim, dispute or controversy to final, binding resolution by arbitration by the American Arbitration Association in accordance with its Commercial Arbitration Rules.

b) **Judgment** – Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof, and the Parties agree the award will be final, in writing, and binding and cannot be made subject to review, appeal or other recourse. Both Parties waive and relinquish the right to refer such claim, dispute or controversy to any other jurisdiction. The arbitrators will have no authority to award punitive, special, incidental, indirect or consequential damages, whatsoever, including, without limitation, damages for loss of use or business interruption. Each Party will bear its cost of arbitration except that the arbitrator shall award to the prevailing Party its reasonable attorney's fees.

c) **Performance** – Pending final resolution of any dispute, Seller shall proceed with performance of its obligations under this Order any Purchase Order in accordance with Buyer's instructions so long as Buyer continues to pay Seller amounts due under the Order or any Purchase Order not in dispute.

16) QUALITY

Seller shall establish and maintain a quality control system acceptable to Buyer for the Goods purchased. Seller shall permit Buyer to review procedures, practices, processes and related documents to determine such acceptability. Seller shall have a continuing obligation to promptly notify Buyer of any violation of or deviation from Seller's approved inspection/quality control systems and to advise Buyer of the quantity and specific identity of any Goods delivered to Buyer during the period of any such quality violation or deviation.

The Seller's Quality System shall be compliant to the requirements of ISO9001 unless otherwise specified in this purchase order.

17) RIGHT TO INSPECT

Buyer has the right to inspect the Item(s) upon delivery to the Buyer's place of business and, in to any other rights it may have, the right to reject any defective Item(s), which fail to conform to the descriptions and specifications set forth in the Order. The Buyer will promptly notify the Seller in writing of all claimed defects and nonconformities, and such defective or nonconforming Item(s) will be held for Seller's instruction and, if the Seller so directs, will be returned at the Seller's expense. The failure to inspect, either prior to shipment or upon delivery to the Buyer's business location, shall not be deemed a waiver to any of the rights of the Buyer under any provision of the Order.

18) CONFLICT MINERALS

Seller shall comply with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementation regulations except for the filing requirements.

19) MATERIAL OBSOLESCENCE

Seller shall notify Buyer at least one (1) year in advance if Seller anticipates discontinuing the material. The Seller shall find an acceptable source to provide the discontinued material or find a substitute for the discontinued material which is acceptable to the Buyer. If the alternatives are not feasible provide Buyer with opportunity to make a last-time buy after allowing the Buyer a reasonable time to assess its needs.

20) COUNTERFEIT PARTS

Seller is hereby notified that the delivery of suspect/counterfeit parts is of special concern to Buyer. If suspect/counterfeit parts are furnished under this order or are found in any of the goods delivered

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hereunder, buyer will impound such items. The Seller shall promptly replace such suspect/counterfeit parts with parts acceptable to the Buyer and the Seller shall be liable for all costs, including but not limited to Buyer's internal and external costs, relating to the removal and replacement of said parts. To mitigate the possibility of the inadvertent use of counterfeit parts, the Seller shall only purchase original/new components and parts directly from the Original Equipment Manufacturer (OEMs)/ Original Component Manufacturer (OCMs) or through the OEM's/OCM's Buyer's authorized distributor. Seller must make available to Buyer documentation that authenticates traceability of the components to the applicable OEM/OCM. Buyer reserves all contractual rights and remedies to address grievances and detrimental impacts caused by suspect/counterfeit parts.

21) FORCE MAJEURE

a) **Definition.** Force Majeure shall mean any event or condition, not existing as of the date of the acknowledgement of the Order, not reasonably foreseeable as of such date and not reasonably within the control of either Party, which prevents in whole or in material part the performance of the Parties of its obligations hereunder or which renders the performance of such obligations difficult or costly as to make such performance commercially unreasonable. Without limiting the foregoing, the following shall constitute events or conditions of Force Majeure: acts of State or Governmental action, orders, legislation, regulations, restrictions, priorities or rationing, riots,, disturbance, war (declared or undeclared), strikes, lockouts, slowdowns, prolonged shortage of energy supplies, interruption of transportation, embargo, prohibition of import , or export of goods covered by the Order, and epidemics, fire, flood, hurricane, typhoon, earthquake, lightening, and explosion. If by any of the above-mentioned causes, an allocation of supplies must be made, the Parties hereby agree that the allocation will be fairly made. It is in particular expressly agreed that any refusal or failure of any governmental authority to grant any export license legally required for the fulfillment by the Seller of its obligations hereunder shall constitute an event of Force Majeure, provided said refusal is not due to the fault of or negligence of the Seller.

b) **Notice.** Upon giving written notice to either Party, a Party affected by an event of Force Majeure shall be released without liability on its part from the performance of its obligations under the Order, except for the obligation to pay any amounts due and owing hereunder, but only to the extent and only for the period that its performance of such obligations is prevented by the event of Force Majeure. Such notice shall include a description of the nature of the event of Force Majeure, and its cause and consequences. The Party claiming Force Majeure shall promptly notify the other Party in writing the termination of such event.

c) **Confirmation. The Party invoking Force Majeure shall provide the** other Party confirmation of the existence of the circumstances constituting Force Majeure. Such evidence may consist of a statement or certificate of an appropriate governmental department or agency where available, or a statement describing in detail the facts of claimed to constitute Force Majeure.

d) **Suspension of Performance.** During the period that the performance by one of the Parties of its obligations under the Order has been suspended by reason of an event of Force Majeure, the other Party may likewise suspend the performance of all or part of its obligation hereunder to the extent that such suspension is commercially reasonable.

e) **Termination.** Should the period of Force Majeure continue for more than ninety (90) consecutive days, either party may terminate the Order without liability to the other Party, except for payments due to such date, upon giving written notice to the other Party.

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