



Purchase Order Terms and Conditions

1. DEFINITIONS

- A. BUYER means RESCO Electronics, LLC.
- B. SELLER means person or company to which the Order is issued.
- C. ORDER means the Purchase Order and any referenced documents.
- D. CHANGE ORDER means a Purchase Order that has been modified after the original Purchase Order has been issued.
- E. PARTIES means Buyer and Seller collectively.
- F. PRODUCT(S) means those goods, supplies, reports, computer software, data, materials, articles, items, parts, components or assemblies, and services described in the Order.
- G. CUSTOMER(S) means third parties to whom Buyer sells Products ordered pursuant to an Order or Change Order from Seller.

2. ACCEPTANCE

This Order is Buyer's offer to Seller. Seller's acceptance is expressly limited to the written terms of this Order. Any of the following acts by Seller shall constitute acceptance:

- A. Signing and returning a copy of this Order;
- B. Informing Buyer in writing of commencement of any effort required to complete this Order; or
- D. Shipping of any Products in performance of this Order which conform to the ordered Products.

3. SUPPLIER MODIFICATIONS

Any proposed modification to the Order by the Seller must be submitted to the Buyer in writing prior to acceptance of the Order. The Seller may not proceed with the proposed modification until the Buyer issues a Change Order to the Seller in writing. A modification may include, but is not limited to the following:

- A. Product Definition per the Manufacturer;
- B. RoHS compliance status;
- C. DFARS 252.225-7014 Preference for Domestic Specialty Metals compliance status; or
- D. Obsolete, Discontinued or End-Of-Life status.

4. BUYER CHANGES

A. Buyer may at any time, by written order, and without notice to sureties or assignees, if any, make changes within the general scope of this Order in (1) drawings, designs, specifications, planning, and/or other technical documents; (2) method of shipment, packaging, or packing; (3) place of delivery; (4) quantity of Product (increase or decrease); (5) delivery schedule(s); (6) place of inspection; and (7) place of acceptance.

B. If the Change Order causes an increase or decrease in the cost or time required to perform this Order an equitable adjustment shall be made in the purchase price and/or delivery schedule and the Order shall be modified in writing accordingly.

C. Any claim shall be unconditionally waived unless asserted in writing and delivered to Buyer within 21 days of the date of the written change order.

5. COMPLIANCE AND FLOWDOWN OF REQUIREMENTS

By accepting the Order, the Supplier agrees to fully comply with:

- A. Section 1502 Conflict Minerals of the Dodd-Frank Wall Street Reform and Consumer Protection Act;
- B. Any other requirements specified in the Purchase Order and any documents referenced in the Purchase Order; and
- C. To flow down to its sub-tier suppliers any applicable requirements listed in the Purchase Order or documents referenced in the Purchase Order and the requirement in 5A above.

6. COUNTERFEIT PARTS PREVENTION

In order to minimize the risk of procuring counterfeit parts, the supplier must have a Counterfeit Parts Control Plan that complies with and meets the intent of SAE Aerospace Standard AS5553. The supplier is to flow down this requirement to all sub-tier suppliers.

7. RECORD RETENTION

Where required, inspection/test data proving compliance to applicable specifications is on file either with the supplier or original place of manufacture and will be sent on request. Acceptance records shall be maintained for a minimum of seven (7) years from product delivery unless specified otherwise in the purchase order or referenced documents.

8. DELIVERY, TITLE, RISK OF LOSS, AND INSURANCE

A. The FOB point shall be as designated in the Order. Risk of any loss and/or damage to Products occurring before receipt at the delivery point specified shall be Seller's responsibility. Title shall pass to Buyer upon acceptance (except as otherwise specified within this Order); however, passing of title shall not relieve Seller of any other obligations under this Order.

B. All deliveries shall be strictly in accordance with the applicable quantities, quality and schedules set forth in the Order. Unauthorized over shipments and early shipments can be returned at Seller's expense, if Buyer so elects within a reasonable time. Seller shall be liable for all storage/handling charges incurred as a result of over shipments and early shipments.

C. Whenever it appears Seller will not meet the delivery schedule, Seller shall immediately notify Buyer of the reason and estimated length of the delay. Seller shall make every effort to avoid or minimize the delay to the maximum extent possible including the expenditure of premium time and most expeditious transportation. Any additional cost caused by these requirements shall be borne by Seller.

D. If Seller is unable to meet the required delivery schedules for any reason, other than a change directed by Buyer, Buyer shall have the option to (1) cancel this Order, or (2) fill such Order or any portion thereof, from sources other than Seller and to reduce Seller's Order quantities accordingly at no increase in unit price, without any penalty to Buyer.

E. Buyer will provide insurance coverage for all shipments with a total value of up to \$100,000 and will not reimburse Seller or any third party hired by the Seller for such coverage. Seller must contact Buyer to coordinate insurance for shipments with a value over \$100,000.

9. PACKING AND SHIPPING

Seller shall, unless otherwise stated in the Order:

A. Prepare all Products for shipment to prevent damage or deterioration;

B. Pay all charges for preparation, packaging, packing, boxing or crating;

C. Make every effort to consolidate shipments to reduce freight charges; and

D. Indicate the container, Purchase Order number, item, serial (if serialized), part (from the face of this Order) and lot or batch number (if applicable) on the packing slip and bills of lading;

10. INVOICE AND FREIGHT BILL

Seller shall send a separate invoice for each shipment and shall include the following information taken from Buyer's Purchase Order: Purchase Order number, item number, part serial number (if serialized), part number, unit of measure, and unit price. Seller's invoice shall also include: Seller's phone number and address, invoice number, date prepared, item quantity, extended item price, and total invoice value. If Seller's "remit to" address is different than the address indicated on the Purchase Order, clearly identify the "remit to" address on the invoice. No invoice shall be issued prior to shipment of Products. Seller shall use the Buyer's freight account number unless the Order states otherwise.

11. INSPECTION & ACCEPTANCE

Buyer's final inspection and acceptance shall be at destination. Failure to inspect and accept or reject Products shall not relieve the Seller from responsibility for compliance with Order requirements nor impose liability on Buyer.

12. NON-CONFORMING GOODS

Nonconforming product shall not be shipped to Buyer without written authorization. If Seller fails to deliver or delivers defective or nonconforming Products, Buyer may:

- A. Accept all or part of the defective or non-conforming Products at an equitable price reduction; or
- B. Reject all or any part of a delivery of defective or non-conforming Products, and demand delivery of conforming Products. All rejected Products shall be shipped to Seller at Seller's cost; or
- C. Repair, or have a third party repair, the Product to comply in all respects with Order requirements and charge the cost incurred to Seller;
- D. Rescind this Order; and/or
- E. Request a corrective action from Seller.

If Seller discovers that they have delivered nonconforming Products, Seller must notify Buyer of the nonconformity within 48 hours of discovering the nonconformity.

13. PAYMENT

Buyer will only pay charges to Supplier listed on the Order. Payment due dates, including discount periods, will be calculated from the date of acceptance of Products or correct invoice, whichever is later. Unless freight and other charges are itemized, any discount will be taken on the full amount invoiced. Buyer has the right, without loss of discount privileges, to pay invoices covering Products shipped in advance of schedule on the normal maturity after the date specified for delivery. Payment shall not constitute acceptance of Products.

14. WARRANTY.

Seller warrants to Buyer and the Customer(s) that all Products delivered under this Order will: (1) be free from defects in materials, workmanship, and manufacturing processes; (2) be suitable for the purposes intended whether expressed or reasonably implied; (3) conform to the requirements of this Order, including, but not limited to, the applicable descriptions, specifications, and drawings, if any; (4) be free from defects in design for any Products or any portions thereof which are manufactured, in whole or in part, in accordance with designs not furnished by Buyer; and (5) be free of all liens and encumbrances. The warranty set forth above shall remain in effect for twelve (12) months after delivery to the Customer(s).

15. DISPUTES.

- A. Any dispute that may arise under or in connection with this Order with respect to the rights, duties, or obligations of the Parties shall be reduced to writing and submitted for resolution to ascending levels of management of the respective Parties.
- B. If a dispute cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within fifteen (15) calendar days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon, in writing, either Party may institute legal proceedings.
- C. The parties agree that the appropriate venue and jurisdiction for all legal proceedings of any kind or nature brought to enforce any provisions of this Order shall lie within the State of Maryland. Further, the terms and conditions of the Order shall be interpreted under the laws of the State of Maryland.
- D. Pending any prosecution, appeal, or final decision referred to in this clause, or the settlement of any dispute arising under this Order, Seller shall proceed diligently, as directed by Buyer, with performance of the Order.

16. INDEMNITY

- A. Seller agrees to indemnify and hold harmless the Buyer from and against any and all claims, liabilities, suits, actions, proceedings, demands, damages, losses, costs, and expenses (including reasonable attorneys' fees and experts' fees) arising out of or in connection with claims by third parties for injury to persons or damage to property, arising in whole or in part out of the acts or omissions of Seller, its subcontractors, agents, or employees in the performance of this Order and the design and manufacture of the Products.
- B. Seller agrees to indemnify and hold harmless the Buyer from and against any and all claims, liabilities, suits, actions, proceedings, demands, damages, losses, costs, and expenses (including reasonable attorneys' fees and experts' fees) arising out of or in connection with claims and liabilities, for infringement of any United States patent, trademark, or copyright by any Products delivered under this Order. Seller's obligation shall not apply to Products manufactured by Seller pursuant to detailed designs developed by

Buyer and furnished to Seller under an Order which does not require research, development, or design work by Seller. Seller's obligation shall also not apply to any infringement arising from the use or sale of Products in combination with Products not delivered by Seller if such infringement would not have occurred from the use or sale of such Products solely for the purpose for which they were designed or sold to Buyer.

17. NOTIFICATION OF DEBARMENT/SUSPENSION.

Seller shall provide prompt written notice to Buyer if, at any time during the performance of this Order, Seller is suspended, debarred or declared ineligible for contract award, or has received notice that any U.S. Government department or agency is considering suspension or debarment of the Seller.

18. ASSIGNMENT.

Seller shall not assign any of its rights under this Order without Buyer's prior, written consent.

19. PROPRIETARY INFORMATION.

Seller agrees to keep confidential and not to disclose to any other person any proprietary or confidential information (the "Proprietary Information") received from Buyer in connection with this Order. Seller further agrees to use Proprietary Information only for purposes necessary for performing this Order.

Revision History

Revision Date	Revision	Description	Approved by
9/14/20	1	Putting document under rev control	DCC