



Reliance Electronics, Inc.
145 Shepherds Lane, Totowa, NJ 07512

Purchase Order Standard Terms & Conditions.

1. This **Purchase Order Standard Terms and Conditions** shall apply to all purchase Orders (Orders or Order) issued by Reliance Electronics, Inc (hereinafter "**Reliance**" or "**Buyer**"). In the event that there are conflicts between these Standard Terms and Conditions and any Orders issued by Reliance, the terms and conditions specified in the Order shall take precedence.
2. **Acknowledgment:** Please acknowledge acceptance of this Order. This Order becomes a contract if acknowledged without change. If the exceptions are taken by the Seller to the prices and /or delivery schedules, then the Order will become a contract upon written approval by Buyer of the price and delivery schedules stated by the Seller.
3. **Delivery:** The time is of the essence of this Order issued hereunder. Buyer reserves the right to cancel all or any part of the undelivered portion of this Order at no charge if Seller does not make deliveries of acceptable items as required by the Order, except if such failure to deliver is due to causes beyond the control of Seller and Seller duly notifies the Buyer in writing the cause of delay within reasonable time after such delay commenced.
4. **Shipments:** Deliveries shall be made as specified, without charge for packing, crating, cartage, or storage, unless otherwise specified on the face of the Order. The material shall be suitably packed to insure against damage and in accordance with the requirements of the common carriers. Commonly accepted industry practice of Eliminating and Preventing Damage due to Foreign Objects/Debris (FOD) shall be followed in packaging and shipping. Reliance's purchase Order number must be clearly marked on packing slips and invoices.
5. **Warranty:** Seller warrants articles furnished or supplied under this contract will be (1) free from defects in material and workmanship, (2) conform to all applicable drawings and specifications;(3) be produced in compliance with all applicable Federal and State laws and regulations and municipal ordinances and regulations.
6. **Inspection:** All items furnished by the Seller are subject to inspection and test at the destination. In the event any item is found to be defective in material, workmanship, or otherwise not in conformation with the requirements of the Order within one year from date of the shipment, Seller shall promptly repair or replace such defective material at Seller's expense. Any such replaced or repaired material will be subject to all requirements of the Order unless otherwise stated on the Supplier Corrective Action notice.
7. **Changes:** Buyer shall have right from time to time by written change Order without notice to the Seller to make changes in Order, If any change causes any increase or decrease in Seller's cost or delivery of the Order, equitable adjustment in price and delivery will be made and the Order will be modified in writing accordingly.
8. **Non-assignability:** Seller will not assign this Order nor any money due or to become due without the prior written consent of Buyer. Any such authorization shall not release Seller from its obligation and liabilities under the Order. If Seller uses sub-tier supplier for any product, the requirements this form applies to sub-tier supplier also.
9. **Cancellation:** Buyer, at any time and by written notice, may cancel this Order or any part thereof, at its convenience and for other than default or negligence contemplated in the cause "Delivery" in which event Buyer shall be liable for payments of reasonable charges which shall account, among other things, expenses already incurred and the Seller's actual liabilities against commitments incident to this contract., In no event, however, shall Buyer be liable for cancellation charges in excess of the contact price.
10. **Right to Review Product and Records at Seller's site:** Buyer reserves the right to review product and applicable records at Seller's site. Buyer also reserves the right to ask the Seller to permit the access to its site to Regulatory Authorities and Buyer's customers to review records and the product. Verification of the records by Seller, Regulatory Authorities or Buyer's customer does not absolve the Seller for quality of the product. Buyer still reserves the right of inspection and test at the destination.
11. **Notification of Non-Conforming Products:** The Supplier is required to notify the buyer in writing all non-conforming products; any change in the approved manufacturing methods or/and process definition and where required, obtain buyer's approval.
12. **Compliance with Laws & Affirmative Action:** By acceptance of this Order, Seller warrants and certifies that goods covered by this Order will be produced in compliance with all applicable Federal, State and local laws, rules and regulations, including without limitation, all applicable requirements of Fair Labor Standards Act including amendments, the Walsh Healy Act including amendments, and provisions of President's executive Order number 11246 as amended, Section 503 of the Rehabilitation Act of 1973, and The Vietnam Era Veterans Readjustment Assistance Act 38 USC 2012.
13. **Over shipments:** No over shipment will be accepted on this Order except authorized by the Buyer in writing.
14. **Drawings, Specifications, etc:** All drawings, Specifications, tools, jigs, fixtures, materials and other items furnished by the Buyer will remain the property of the Buyer and shall be kept confidential by the Seller and must be returned to Buyer immediately upon the request. All material and equipment furnished by the Buyer shall be protected against loss or damage and Seller will indemnify and save Buyer harmless from all claims, which may be asserted against said property, including without limitation, mechanic's lien, or claims arising under Workman's Compensation, Occupational Disease Laws or Occupational Safety and Hazards Act.
15. **Insurance and Indemnification:** It is hereby agreed and understood that the Seller will indemnify and hold harmless Reliance and its employees from and against any liability, claims, expenses or other damages incurred of either bodily injury, including death resulting there from, to any person, or damage to any property, including loss of use thereof, arising out of the performance of the terms of this Order by the Seller and others designated by the Seller to perform the work and services under the terms of this Order. Reliance shall not be held responsible for any claims, or other damages, solely caused by the negligence of the Seller.
16. **Patent protection:** To the extent items delivered hereunder are not manufactured pursuant to detailed designs furnished by Buyer, Seller agrees it will save Buyer, its successors, assigns, agents and/or customers from any loss, damage or liability which may be incurred on account of actual or alleged infringement of any patent or patents with respect to such items, and that it will at its own expense defend any action, suit or claim in which such infringement is alleged. Any design development during manufacture of items of Buyers original design shall become the property of Buyer and no patent application shall be made by Seller in connection with such design development without Buyer's prior written approval.
17. **Sub-Tier Suppliers:** Supplier is required to flow down to sub-tier suppliers all the applicable requirements of these Purchase Order Standard Terms and Conditions.