

Extron

PURCHASE ORDER TERMS AND CONDITIONS

1. **DEFINITIONS AND INTERPRETATION-** In these terms and conditions “Buyer” means authorized purchasing agent of RGB Systems, Inc., dba Extron Electronics. “Seller” means the person or entity with whom an Order is placed. “Order” shall mean the purchase order to which these Purchase Order Terms and Conditions are attached. “Goods” shall mean all deliverable Goods, items, parts, products, materials or services described in the Order.
2. **ACCEPTANCE OF PURCHASE ORDER** - Buyer and Seller shall be bound by the Order and these Terms and Conditions when Seller:
 - (a) Executes and returns the acknowledgment in no more than 2 business days;
 - i. If acknowledgment or exception is not received within 2 business days; the purchase order shall be deemed accepted by the Supplier
 - (b) Commences work pursuant to the Order;
 - (c) Delivers to Buyer any one of the items ordered; or
 - (d) Renders for Buyer any of the services contained in the Order.

No term or condition of the Order may be added to, modified, superseded or altered except by a written instrument signed by an authorized purchasing representative of Buyer and delivered by Buyer to Seller. Except as the Order is so changed, each item or service received, accepted and/or paid for by Buyer shall be only upon the terms and conditions in the Order notwithstanding any restriction, term or condition of Seller in acknowledging the Order or which may be contained in any form letter or other communication of Seller relating to the Order before, after or concurrently with Seller’s acknowledgment.
3. **SUB-CONTRACTING-** The Seller shall not assign the Order in whole or in part without Buyer’s written consent, other than for materials or for any part of the Goods which the makers are named in the Order or specification. Any such consent shall not relieve the Seller of any of its obligations under the Order. No third party shall have the right to enforce any provisions of the Order.
4. **PRICE AND TAXES** - Buyer shall not be billed at prices higher than stated on the Order unless authorized by a change order or notice issued and signed by an authorized purchasing representative of Buyer.
5. **PAYMENT TERMS-** Unless otherwise agreed to in writing, payment will be made 30 days following the end of the month of delivery. The Buyer may withhold payment of any amount due to the Seller, if the Buyer asserts any credits or counter claim against the Seller.
6. **PAYMENTS** - Payments shall be made upon the submission of proper invoices for Goods delivered and accepted. With respect to any discount offered, time shall be computed from the date of delivery or from the date the correct invoice is received by Buyer, whichever last occurs. Payment is deemed to be made, for the purpose of earning the discount, on the date Buyer’s check is mailed.
7. **PACKING AND SHIPPING** –
 - (a) Seller shall ship only as specified herein, or as subsequently directed in writing, and in the strict conformity with the governing tariff rules and regulations;
 - (b) Seller shall pack or otherwise prepare all Goods to meet carrier requirements and safeguard against damage from weather and transportation;
 - (c) No charges shall be allowed for packing or cartage unless specifically noted in the Order;
 - (d) Unless otherwise agreed upon in writing by Buyer, Goods must be shipped prepaid at Seller’s expense; and
 - (e) Each package shall be marked to show Order number and include a packing sheet in each package
8. **CHANGES** –
 - (a) Buyer may at any time, by a written change order issued by an authorized purchasing representative, extend the time of delivery, or make changes within the general scope of the Order in any one or more of the following:
 - i. Drawings, designs, or specifications,
 - i. Method of shipment or packing, and
 - ii. Place of delivery.
 - (b) Buyer’s engineering and technical personnel may from time to time render assistance or give technical advice to or effect an exchange of information with Seller’s personnel in a liaison effort concerning the items to be furnished hereunder. However, such exchange of information or advice shall not vest Seller with the authority to change the items hereunder or the provisions of the Order nor shall any resulting change in items or provisions of the Order be binding upon Buyer unless incorporated as a change order in accordance with paragraph (a), above.

9. **DELIVERY AND DELIVERY DELAY** – Time is of the essence. Buyer’s production schedules and warranties to its customers are dependent upon the agreement that deliveries of the Goods covered by the Order will occur on the required delivery dates, no more than (5) days early and zero (0) days late as shown on the face hereof. Delivery shall not be deemed complete until the Goods have been received and accepted by Buyer at its facility. Seller agrees to notify Buyer immediately if at any time it appears that Seller may not meet the delivery schedule. Such notification shall include the reasons for the delay, actual or potential, the steps being taken to remedy the constraint and the schedule or a waiver of the delivery schedule in the Order. Any assistance furnished by Buyer to overcome delays shall not be regarded as waiving Buyer’s remedies for default, including termination rights, if Seller fails to meet the contractual schedule. Seller shall be responsible for all damages of any kind incurred or suffered by Buyer which were caused by any delay of Seller in making deliveries of acceptable supplies. In addition to any remedies available at law, Buyer shall be entitled to following remedies:
- (a) Recover from Seller liquidated damages as follows: one percent (1%) per week for the first four weeks and two percent (2%) per week thereafter of the part of the Order price. The rate shall be applied for each week or part of the week during which the Order shall remain uncompleted. The buyer shall be entitled to deduct such damages from moneys payable by it under the terms of the Order or otherwise. The total amount payable by way of damages under this condition shall in no event exceed twenty percent (20%) of said Order price and such damages shall not relieve the Seller of any of its other obligations or liabilities under the Order; and/or
 - (b) Cancel the Order in whole or in part without incurring liability to the Seller; and/or
 - (c) Refuse to accept any subsequent delivery of Goods; and/or
 - (d) Purchase substitute items elsewhere; and/or
 - (e) Hold the Seller accountable for any loss and additional costs incurred.
10. **RISK OF LOSS**- The risk of loss and damage in transit shall be upon Seller and shall not pass to Buyer until received at Buyer’s facility in a condition in accordance with the terms of the Order. The cost of all return shipments shall be borne by Seller. Unauthorized advance shipments and shipments other than for the quantity ordered are returnable at Seller’s expense. Identification of the Goods under Section 2-501 of the Uniform Commercial Code shall occur at the moment Seller accepts this Purchase Order.
11. **QUALITY ASSURANCE**- The quality assurance requirements of Goods shall comply with Seller’s quality procedure and the Buyer’s applicable quality requirements. The minimum Seller’s accreditation shall be ISO9001-2015.
12. **WAIVER** - The failure of Buyer in any one or more instances to enforce any of its rights or to insist upon performance of any of the terms or conditions of the Order shall not be construed as waiving any of the terms and conditions of the Order or any of Buyer’s rights or remedies.
13. **DEFECTS** - Payment for any Goods under the Order shall not constitute acceptance thereof. All Goods hereunder are subject to inspection at Buyer’s destination either before or after payment or before or after acceptance, at Buyer’s option. Buyer reserves the right to reject and refuse acceptance of Goods which are not in accordance with the instructions, specifications, drawings, and data or Seller warranties (expressed or implied.) Goods not accepted will be returned to Seller for full credit or replacement at Buyer’s option and at Seller’s risk and expense, including transportation charges both ways. No replacement of rejected Goods shall be made unless specified by Buyer in writing. Acceptance of all or any part of the Goods shall not be deemed to be a waiver of Buyer’s right and remedies per Condition 9 to cancel or return all or any portion of the Goods because of failure to conform to this Order, or by reason of defect, patent or latent, or other breach of warranty, or to make claim for damages, including manufacturing costs, damage to material or articles caused by improper boxing, crating, or packing, & loss of profits or other special damages occasioned the Buyer. Such rights shall be in addition to any other remedies provided by law.
14. **INSPECTION AND RIGHT OF ACCESS** - Buyer reserves the right to inspect all Goods prior to shipment by Seller, and in furtherance thereof, Seller shall permit employees or representatives of Buyer and Buyer’s customer to have access to Seller’s facilities at all reasonable hours. All Goods shall nevertheless be received subject to final inspection and approval by Buyer after delivery at destination. Buyer’s inspection, or its lack of inspection, shall not affect any express or implied warranties. If the face of the Order stipulates that the Goods shall be subject to inspection at Seller’s facilities, Seller shall provide reasonable space and assistance for the safety and convenience of representatives of Buyer and its customer. At the time of inspection Seller shall make available to such representatives’ copies of all drawings, specifications and other technical data applicable to the Goods ordered.
15. **DOCUMENTS**- Where appropriate the Seller shall provide documentation including operating instructions and parts list. All documentation shall be in English.
16. **BUYER-OWNED MATERIALS** –
- (a) All materials, tools, designs, dies, fixtures, drawings, specifications and other property, method or processes, furnished, owned or paid whether directly noted on the face of the Order or included by Seller in unit price of Goods, shall be property of Buyer subject to removal at any time without cause or expense to Buyer. All such materials, etc., shall be identified and marked by Seller as Buyer property, used only for Buyer’s Orders, unless otherwise authorized by Buyer, treated as confidential material and covered by Seller, at Seller expense, by adequate liability, damage and fire insurance for the replacement cost thereof. Such property shall always be properly protected and maintained by Seller, shall not be commingled with the property of Seller or others, shall not be moved from Seller’s premises without prior written authority from Buyer, and shall, upon request by Buyer, be immediately returned to Buyer.

- (b) Seller shall assume all risk of loss or damage to such property (either in Seller's actual or constructive possession), maintain and repair the same and return or turn over the same to Buyer in good condition, reasonable wear and tear excepted, upon the completion, cancellation or termination of the Order. Buyer reserves the right to require delivery of any such cancellation or termination of the Order and Buyer shall have the right to require delivery of any such property prior to completion of the Order or final payment.
 - (c) Seller is to provide Buyer with inventory of all such property as Buyer may request. Where any part or product is specifically manufactured or procured for the purpose of this Order, whether of the design of Seller, Buyer, or a third party, such part or product cannot be sold by the Seller to any third party without written consent of the Buyer.
17. **CONFIDENTIALITY OF DRAWINGS, SPECIFICATIONS AND TECHNICAL INFORMATION** – All information of the Buyer and its customers which is or may be disclosed to or accessed by the Seller in the course of carrying out the Order shall be treated by the Seller as strictly confidential and shall not be, without the prior written consent of the Buyer, disclosed to any third party or parties nor be used for copied for any purposes(s) other than execution of the Order. Drawings, data, designs, inventions, and other technical information supplied by Buyer shall remain Buyer's property and shall be held in confidence by Seller. The Seller shall immediately notify the Buyer in the event of any unauthorized use, to include but not limited to suspected breach of data, unauthorized use of password(s) or data accessed and shall take immediate action to mitigate any potential harm, loss or damage to the Buyer. In any work or the production of any Goods involving development which is funded in whole or in part by the Buyer then all rights in the development and in the results thereof will vest with the Buyer. The Seller shall execute or procure the execution of all documents as the Buyer may reasonably require in order to transfer the full benefits of all such rights.
18. **PATENT AND PROPRIETARY RIGHTS** - All technical information in the nature of designs, blueprints, specifications, engineering data for production or production know-how which is supplied to the Seller by the Buyer to facilitate or assist in the performance of this Order shall, unless otherwise agreed, be considered and kept confidential by the Seller, and the Seller will use and heed its employees and agents to use extreme caution not to disclose any such information either directly or by incorporation in, or its use in manufacturing, products for others.
19. **COMPLIANCE WITH LAW** - In performance of the work and shipment of Goods covered by the Order, Seller agrees to comply (and to bear all expense required for compliance) with the Fair Labor Standards Act of 1938, as amended, and regulations thereunder, all applicable provisions of the Walsh-Healy Act, the Buy American Act, the Occupational Safety and Health Act, the Equal Employment Act of 1972 and regulations thereunder, and all other applicable federal, state and local laws, rules, regulations and orders, and agrees to indemnify Buyer against any loss, cost, liability or damage whatsoever, including attorney's fees, which may result from Seller's violation of this paragraph. Sellers who furnish materials listed on California Industrial Relations Director's List of Hazardous Substances must furnish with the delivery of the material, a Material Safety Data Sheet. Such Sheet must conform to the provisions of the California Hazardous Substance Training and Information Act (SB 1874.) With respect to Equal Employment Opportunity, a corporation is a government contractor and is subject to the requirements of Executive Order 11246, Section 503 of the Rehabilitation Assistance Act, VEVRAA Executive Order 4212. Pursuant to these requirements, the Equal Opportunity Clauses found in Code 41 of Federal Regulations: Sections 60-1.4(a)1-7), Sections 60-250-.5, Sections 60-300.5(a) (1-11), Sections 60-
- 1.5 (a)(1-6) and 29 CFR Part 471, Appendix A to Subpart A are incorporated herein by reference as though set forth at length, and made an express part of these Terms and Conditions. Accordingly, Seller will comply with the following Federal Acquisition Regulations:
- i. 52.222-26 "Equal Opportunity",
 - ii. 52.222-35 "Affirmative Action for Disabled Veterans, Special Disabled Other Veterans and Recently Separated Veterans,
 - iii. 52.222-36 Affirmative Action for Workers who are Individuals with a Disability.
- These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Seller must take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation.
20. **EXPORT, IMPORT AND REGULATORY COMPLIANCE-** Seller shall obtain all export authorizations and/or licenses necessary for the delivery of the Goods, software or information to the Buyer at the time specified in the Order. The Buyer will obtain import authorizations necessary for the imports of Goods. The Buyer and the Seller each agree to comply with all applicable governmental regulations as they relate to the import, export, transfer and re-export of information, software and/or Goods and/or the Buyer or Seller property. Without limiting the foregoing, neither the Buyer nor the Seller shall disclose or deliver any information, software or Goods and/or Buyer or Seller property provided hereunder in any manner contrary to any applicable export or import laws and regulations. The Buyer and the Seller acknowledge that these laws and regulations impose restrictions on import, export, transfer and re-export to third countries of certain categories of information, software and Goods, and that authorizations/licenses from the applicable regulatory agency may be required before such information, software and Goods and/or Buyer or Seller property can be disclosed or delivered hereunder, and that such authorizations/licenses may impose further restrictions on use and further disclosure or delivery of such information, software and Goods and/or Buyer or Seller property. In relation to both domestic and international transactions, the Seller shall provide the Buyer with

export classification information for all Goods, Seller property, software and information delivered to the Buyer. Export classification information includes the applicable export control number, the country of origin and the Harmonized Tariff Code. The Buyer will supply the Seller with similar export classification information for relevant Buyer property and/or information for which the Buyer has design authority. The Buyer and the Seller will each promptly notify the other upon a change in classification information. The Seller shall indemnify and hold the Buyer harmless to the fullest extent permitted by law in respect of any loss, damage or expense, including lost profits, for any failure of the Seller to comply with such laws and regulations.

21. **COUNTERFEIT GOODS**- All Goods provided by the Seller to the Buyer, including any that are provided by the Seller's subcontractors, must be original and genuine, and in full compliance with all the Buyer's contract requirements, specifications, certifications, and any supporting data representing contract performance. The Seller warrants that it has received from all its subcontractors and suppliers all data necessary to comply with this obligation and the Seller has validated all such data. The Seller will ensure that none of the Goods are counterfeit, inaccurately marked, or in any manner misrepresented. The Seller shall operate a counterfeit control process for all Goods regardless of industry sector consistent with these provisions and reasonable commercial terms for applicable industry sectors, to include AS5553A, and the Buyer shall have the right to audit, inspect and/or approve the process at any time before or after delivery of the Goods. If any of the Goods delivered or to be delivered under the Order is discovered to be a counterfeit item or suspected to be a counterfeit item, then the Buyer shall have the right to impound the item for further investigation of its authenticity. The Buyer's investigation may include the participation of third parties or by the Buyer's customer, or by the Buyer, in its sole discretion. The Seller shall cooperate in good faith with any investigation conducted by the Buyer, including, but not limited to, cooperation by the Seller with respect to the disclosure of all design, development, manufacturing and traceability records in respect of the item. Upon the Buyer's request, the Seller shall provide the Buyer certificates of conformance with respect to the item under investigation. The Buyer shall not be required to return the item to the Seller during the investigation process or thereafter. The Buyer shall not be liable for payment to the Seller of the price of any suspected counterfeit items under investigation.
 22. **DISPUTES AND CHOICE OF LAW** - Irrespective of the place of performance, the Order will be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the federal government. To the extent that the federal common law of government contract is not dispositive, the laws of the State of California shall apply without regard to its choice of law provisions. All disputes arising from this contract which are not settled by agreement of the parties shall be arbitrated according to the rules of the American Arbitration Association.
 23. **WARRANTIES** - All warranties of Seller, whether created expressly by law or in fact, are incorporated herein by reference and shall include, and are supplemented by, the following express warranties:
 - (a) The Goods are new and unused and shall comply with any and all specifications, drawings, samples, or other descriptions furnished by Buyer;
 - (b) The Goods shall be merchantable, of good material and workmanship, free from defect, and suitable for their intended purpose;
 - (c) the Goods shall be promptly replaced free of charge or pay the cost of local replacement of Goods or parts thereof which may prove defective through faulty design (other than a design made or furnished by the Buyer) material or workmanship within 36 months from the date of the delivery
- All obligations of Seller hereunder shall survive acceptance of and payment for the Goods.
24. **INDEMNITY AND PATENT RIGHTS**- Seller shall indemnify and hold harmless Buyer from and against all liability, loss, consequential and incidental damages, and expenses resulting from the breach of any warranty or resulting from any other act or omission by Seller, its agents or employees, while in the performance hereof. The supply or use of any Goods under the Order (other than in the case of Goods for which Buyer furnishes detailed manufacturing drawings, the manufacture and sale by Seller of the Goods, the use, resale, installation and use of the Goods by Buyer, and disclosures by Seller to Buyer) shall not infringe upon or violate the legal or equitable rights of any person, corporation or partnership arising out of any license or franchise, or out of any patent, trademark, or other proprietary right, now or hereafter in effect. If the supply or use of any Goods under the Order shall be held to constitute an infringement or an alleged infringement of any third party patent, copyright, registered design or trademark, the Buyer or any person at time in possession of such Goods shall be indemnified by the Seller against all damages, costs, losses, charges or expensed incurred as a result of such infringement or alleged infringement and the Seller will further, if required by the Buyer, conduct any legal proceedings which may be necessary to protect the Buyer at the Seller's risk and expense.
 25. **INSURANCE** - If the Order provides for work to be performed by Seller on property owned and/or controlled by Buyer or on property of others, Seller shall insure each of its employees engaged upon the work with worker's compensation and employees liability insurance and shall procure and maintain, at its cost and expense and until final acceptance of the work by Buyer, public liability insurance from a reputable and financially responsible insurance company, properly safeguarding Buyer against liability for injuries to persons, including injuries resulting in death. The Seller shall arrange and maintain all necessary insurances and provide evidence of insurance prior to start of work. In particular insurance must be affected for:
 - (a) General public liability for no less than US \$5,000,000 (or equivalent) for any one incident
 - (b) Product liability for not less than US\$ 5,000,000 (or equivalent) for any one incident
 - (c) Employers' Liability or Workers Compensation (unless equivalent statutory liability protection is available)

26. **TERMINATION FOR CONVENIENCE** – Cancellation of items whose due date is more than 60 days beyond the cancellation date shall be at no cost to the buyer.
27. **DEFAULT** - (a) (1) Buyer may terminate the Order in whole or in part if the Seller fails to: (l) deliver the supplies or to perform the services within the time specified in the Order or any extension. Remedies for Default as defined in Condition 9 will apply herein.
28. **TITLE TO GOODS** – It is agreed between Buyer and Seller that title to the Goods and materials purchased hereunder shall pass to the Buyer at the F.O.B. point of Destination shown on the face of the Order and that Seller's delivery commitment is due date at the F.O.B. point of Destination.
29. **SELLER QUOTATIONS** – Reference in the Order to Seller's quotation does not imply acceptance of any terms and conditions in such quotation. Any terms and conditions in such quotation which are in addition to, or inconsistent with, the terms and conditions contained in the Order are excluded.
30. **SUPPLIER CODE OF CONDUCT** – Seller warrants that its directors, employees, agents, representatives, contractors and subcontractors and any other person acting on its behalf will not:
 - (a) Offer, give or agree to give or receive, request or accept any financial or other advantage of any kind as an inducement or reward for doing or not doing any improper act or for the improper performance of any function associated with the Order or the Goods; nor
 - (b) Act in any way which would constitute an offence by the Seller or would cause the Buyer to commit an offence under any anti-bribery legislation; nor
 - (c) Employ any workers under the age of 16 nor;
 - (d) Breach applicable anti-slavery legislation, nor any applicable anti-corruption legislation
 - (e) The supplier agrees to abide by the Extron Supplier Code of Conduct available through Extron's Home Page, or with Buyer's consent, equivalent policies adopted by the Seller.

If the Seller breaches any of the above warranties, the Buyer shall be entitled to terminate the Order by written notice with immediate effect. Any termination shall be without prejudice to the accrued rights of the Buyer. The Seller shall indemnify and hold harmless the Buyer from any loss, damage and expense, including all legal fees, incurred or sustained by the Buyer which is caused by or arises as a result of a breach of this Condition 30.

31. **ENTIRE AGREEMENT** – The provisions contained herein, together with the Order, constitute the entire agreement between the parties and supersede all previous communications and representations either oral or in writing with respect to the subject hereof. If any provision of the Order or these Terms and Conditions are, or become, void or unenforceable by force of law, the remainder shall remain valid and enforceable.

May 23, 2019 Revision Rev. 2