



RETURN MERCHANDISE POLICY

- Return requests must be made within 90 days of the invoice date unless otherwise specified.
- If a shipment is damaged, incomplete or inaccurate at the time of delivery, report to Fromm within 48 hours of receipt.
- No material will be accepted for return without a completed and approved Return Goods Authorization. All material must be accompanied by the invoice number and returned to the original purchase location.
- Restocking charges will be applied accordingly.
- Material considered for return must be: in “new” and “saleable” condition including all parts and accessories, undamaged, in original packaging, current make and model, and must be supplied by a vendor in active status with Fromm.
- Material ineligible for return consists of: cut wire, custom or made-to-order material, non-stock items after 60 days from delivery date, goods that have been altered or energized, and electronic controls and test equipment that is not in the original factory sealed packaging.
- All material is subject to inspection by Fromm and/or the authorized vendor, and Fromm reserves the right to refuse material that does not meet established guidelines.
- If material is part of a kit or a “consists of” product, all components must be returned complete and un-opened.

CATEGORIES OF RETURN MERCHANDISE

Stock Material

Stock items are defined as material that is considered on-hand in inventory and has a stocking code in our system. Stock items may be subject to a restocking fee as outlined below.

<u>If invoice date is older than:</u>	<u>Restocking charge assessed:</u>
0-30 days	0% restocking
31-90 days	15% restocking or minimum \$25.00

*Material older than 90 days must be reviewed.

Non-Stock and Special Order Material

- Non-stock material and special order material may be returned provided Fromm has received authorization from the factory to return. The amount of restocking charges will be determined from the factory upon acceptance (minimum 25%).
- Credit for non-stock items will be issued after Fromm has received credit from the vendor. Handling & restocking charges, plus any freight costs will apply.
- The following items cannot be returned:
 - Non-stock items after 60 days from delivery date.
 - Custom or Made-to-Order material.
 - Cut wire.

Job Items & Excess Material

This category is generally defined as material that may normally be a vendor stock item, is in saleable condition, but has been purchased in exceptionally large quantities and/or retained for an extended period of time.

- Returns in excess of corporate maximum amounts (may vary depending on manufacturer & Fromm stocking levels) are subject to review and approval by the purchasing department and vendor.



- Restocking fees, freight charges and terms will depend upon quantity and timeframe between purchase and return request.

Custom/Engineered

Material designed, engineered, or manufactured for a specific customer application.

- Not returnable.

Defective Material

Defectives are defined as items that are not in proper working condition.

- Subject to factory warranty, manufacturer's terms and conditions, and retesting if required.
- Material will not be picked up at the customer site until a vendor RGA is received by Fromm. If special arrangements must be made due to the inability to store material call your Fromm sales contact for a material/financial responsibility waiver.
- If material is rejected by the manufacturer, the customer is responsible for any and all fees as assessed by the manufacturer and otherwise incurred. These may include restocking and freight charges. Product will be returned to customer and customer will be responsible for original invoice.

TERMS AND CONDITIONS OF CREDIT

1. **Amount and Approval.** The Customer has requested a commercial line (the "Line of Credit") from Fromm Electric Supply Corp. of Reading, PA ("Fromm"). The line of credit will become available to the Customer upon approval of this application and agreement by an authorized representative of Fromm.
2. **Payment.**
 - A. Until Fromm Electric shall give written notice to you of a change therein, our terms are Prox 25 from invoice date. Fromm Electric does not agree to defer payment or collection beyond this date and may take action to enforce our rights, regardless of any Late Charges or partial payments that may be made.
 - B. Fromm is committed to providing customers a range of options for paying for their purchases including e-check, check, ACH, wire, cash and credit card. If payment is made with VISA, MasterCard, Discover, or American Express a 2.50% processing fee will be assessed on the payment amount. Payments may be made via e-checks, checks, ACH, wire and cash without a processing fee.
3. **Interest.** Interest shall accrue on the principal balance which is outstanding and past due on the Line of Credit at an annual rate which is equal to 1.5% per month or 18.0% annually.
4. **Security Interest.** The Customer hereby grants Fromm a security interest in all goods, including accounts receivable, inventory, merchandise and other property sold by Fromm to the Customer, all cash, non-cash and insurance proceeds thereof including accounts in order to secure payment to Fromm of all sums due and owing by the Customer to Fromm. The Customer authorizes Fromm to file a UCC 1 Financing Statement with the appropriate office.
5. **Default/Remedies.**
 - A. Default. The failure by Customer to make on or before the due date thereof any required payment under this Agreement, or other failure of Customer to perform any other term or condition of this Agreement in a timely manner (or any other agreement between Customer and Fromm) shall constitute an Event of Default under this Agreement.
 - B. Upon the occurrence of a Default described above, Fromm shall be entitled to exercise any one or more of the following remedies, which may be exercised singly or in any combination, serially or concurrently, and at any time or times and whenever a Default is continuing unwaived or unremedied:
 - (i) in writing demand immediate payment in full of all accrued and unpaid interest and all principal which is then outstanding and unpaid under this Agreement;
 - (ii) exercise any and all remedies which may then be available to Fromm under any or all applicable state or federal laws, including but not limited to Fromm's rights, remedies, powers or privileges under the Pennsylvania Uniform Commercial Code.
 - (iii) suspend or cancel the Line of Credit.
6. **Costs and Expenses.** Customer covenants and agrees to reimburse Fromm for all costs and expenses incurred by Fromm in enforcing this Agreement, its rights hereunder, collecting any sum due hereunder, and/or exercising its remedies hereunder, including but not limited to attorney's fees in the amount of the greater of \$500.00 or twenty percent (20%) of the sums due hereunder.
7. **Legal Effect.** This Agreement shall bind and inure to the benefit of Fromm and the Customer, and their respective successors, assigns, heirs or legal representatives; provided, that the Customer may not assign this Agreement without Fromm's prior written consent and shall not be released from its duties and obligations hereunder by any assignment hereof or consent by Fromm to such assignment unless Fromm shall have expressly released the Customer in writing.
8. **Limitations on Remedies.** Unless otherwise agreed between Customer and Fromm, Customer's exclusive remedy against Fromm for breach of this application or the warranty set forth above, if any, shall be to permit Fromm to cure the non-conforming goods by, at Fromm's option, replacement of defective parts or delivery of replacement goods. The above is subject to full compliance by Customer with any instructions of Fromm or the manufacturer regarding storage, handling, assembly and application pertaining to the particular goods sold, and such instructions are hereby incorporated by reference and made part of this agreement.
9. **Limitations on Liability.** Fromm's liability for damages for any cause whatsoever, whether in contract (including for failure to deliver or delays in delivery) or tort, including negligence shall be limited to the total price paid for the goods which are the subject of the dispute. Other than as specified herein, in no event shall Fromm Electric be liable for direct, consequential, indirect, special or incidental damages for any cause whatsoever.
10. **Statute of Limitations.** Any action for breach of this Agreement must be commenced by Customer within thirteen (13) months after the cause of action has accrued.
11. **Delays, Force Majeure.** Fromm shall not be liable for delays in delivery of the goods or failure to deliver the goods caused, in whole or in part, by inability to obtain transportation, equipment, or material, insurrection, fires, floods, storms, embargoes, action of any military or civil authorities, whether legal or de facto, strikes, labor difficulties, lockouts, acts of God, or other similar or different circumstances beyond the control of Fromm Electric.
12. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement of Fromm and the Customer regarding the subject matter hereof. This Agreement may not be amended or any provision hereof waived, unless such amendment or waiver is reduced to writing and signed by the party against whom it is sought to be entered. Upon notice to the Customer, Fromm shall have the right to withhold delivery of goods except for payment in cash, whether or not a default by Customer or any Guarantor(s) shall have occurred.
13. **Execution.** The signature by the Customer constitutes the Customer's representation and warranty that the information contained in this application and Agreement is true and correct, and the Customer's promise to inform Fromm of any material change in that information.
14. **Amendment.** Fromm Electric reserves the right at any time to alter or suspend credit or to change credit terms provided herein when, in Fromm Electric's sole opinion, the financial condition of Customer so warrants. In such case, in addition to any other remedies herein or by law provided, cash payment or satisfactory security from Customer may be required by Fromm Electric before delivery, or the due date of payment by Customer under any contract or order with Fromm Electric may be accelerated by Fromm Electric. Failure of Customer to pay invoices at the due date makes, at Fromm Electric's option, all subsequent invoices immediately due and payable, irrespective of terms, and Fromm Electric may withhold all subsequent deliveries until the full account is settled.