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Consignment Inventory Agreement

- 1) **THIS AGREEMENT** made on this _____ day of _____, 20____, by and between Axis Electronics under the laws of the state of California, having its principal office at San Clemente, CA. ('Axis Electronics') and _____ (supplier), a company registered or corporation incorporated under the laws of the state of _____ having its principal office at _____, as follows.
- 2) **APPOINTMENT AND ACCEPTANCE** – Supplier appoints Axis Electronics to hold the attached excess/obsolete inventory list for sale/disposition by Axis Electronics. Axis Electronics agrees to market Supplier's excess/obsolete inventory on consignment basis. All such inventory accepted by Axis Electronics shall remain the property of Supplier until sold by Axis Electronics.
- 3) **SERVICES** – Axis Electronics will hold the consigned inventory at its warehouse(s), market, extend credit and collect from customers all funds due for the inventory items on the attached listing. The proceeds of such sale shall be split with Supplier on a _____ / _____ % basis.
- 4) **COMPUTATION AND PAYMENT FOR ITEMS SOLD**
 - a. Payments for goods sold are due and payable on or before the _____ of the month immediately following the month in which the goods are sold.
 - b. Axis Electronics will send Supplier a detailed statement showing the individual invoice activity for the previous period when the product is sold.
 - c. "Net Sales Value" shall mean the total price at which an order is invoiced to the customer, including any increase or decrease in the total amount of the order, but excluding shipping and insurance costs, sales, use and excise taxes, testing and upgrading specifications, handling charges, and any tariffs, duties and export fees involved in international shipments.
 - d. There shall be a deduction from any sums due Supplier, an amount equal to the amount previously paid should the product be defective and returned to Axis Electronics by the customer.
- 5) **ACCEPTANCE OF ORDERS** – All orders are subject to acceptance or rejection by an authorized officer of Axis Electronics and to approval by Axis Electronics Credit Department. Axis Electronics shall be responsible for all credit risks and collections.
- 6) **TERMS OF SALES** – All sales shall be at prices and upon terms established by Axis Electronics and it reserves the right to set the price of its service based on the acquisition cost. Axis Electronics shall also have the right to, at its discretion, establish, change, alter or amend the terms and conditions of an individual sale.
- 7) **AXIS ELECTRONICS RELATIONSHIP AND CONDUCT OF BUSINESS**
 - a. All Supplier's inventory shall be segregated and accounted for separately from other Supplier's inventories. A full accounting of such inventories will be provided upon request. All inventory items will be covered by Axis Electronics' insurance policy for loss from theft and fire.
 - b. Axis Electronics shall maintain a regional sales office in the territory and devote such time as may be reasonably necessary to sell and promote Supplier's inventory.
 - c. Axis Electronics will:
 - i. Conduct all of its business in its own name and in such manner, as it may seem fit.
 - ii. Pay all expenses whatever of its offices and activities.
 - iii. Be responsible for the acts and expense of its employees.
 - d. Nothing in this agreement shall be constructed to constitute Supplier as the partner, employee or agent of Axis Electronics nor shall either have any authority to bind the other

