

# Terms & Conditions of Sale

The sale is on the following terms and conditions:

1. **WARRANTY:** Seller warrants that all the goods sold conform to the specifications contained in buyer's purchase order. This warranty is in lieu of all other warranties, express or implied. **Seller disclaims all other warranties, including, without limitation, the implied warranties of merchantability and fitness for a particular purpose.** Seller will not be liable for any damages or claims with respect to any goods that buyer has processed or changed in dimensions or characteristics from the state the goods were in when shipped. Buyer's exclusive remedies against seller will be for the repair or replacement of defective goods or an account credit not exceeding the purchase price of the defective goods. The choice of the particular remedy specified above will be seller's sole discretion. Buyer will have no other remedy. Buyer will not be entitled to, among other remedies, incidental or consequential damages for lost profits, lost sales, injury to person or property or any other incidental or consequential loss.
2. **CREDIT TERMS:** Credit terms are as shown on the face of seller's sales order, which is available to buyer on request. Accounts will be opened only with buyers whose credit seller approves. Seller may change its credit terms on existing orders, in its sole discretion, to require cash on delivery, cash in advance, or credit card payment, whenever doubt as to buyer's creditworthiness develops for any reason.
3. **QUOTATIONS AND PRICES:** Typographic and clerical errors are non-binding and subject to correction. All quotations are for immediate acceptance unless otherwise stated. Until an order is accepted by Seller, quoted prices are subject to change without notice.
4. **ORDER ACCEPTANCE:** All purchase orders are offers, which may be accepted or rejected by Seller. Shipment of ordered goods constitutes acceptance.
5. **CANCELLATION:** Orders may be cancelled or deliveries deferred only if Buyer assumes immediate liability and makes payment to Seller for: (a) all completed work at the unit price; (b) in-process work on the basis of the percentage of completion times the order unit price; and (c) raw material, unamortized tooling, engineering charges, and other cancellation charges incurred based on Seller's cost plus handling and overhead charges. Seller will determine all cancellation charges at the time of cancellation or deferment.
6. **QUANTITIES:** Buyer will accept overruns or underruns on individual items ordered (including customer-furnished parts), as follows:
  - Order amount under 1,000 units: plus or minus 10% of quantity ordered
  - Order amount 1,000 to 10,000 units: plus or minus 5% of quantity ordered
  - Order amount over 10,000 units: plus or minus 3% of quantity ordered
7. **DELIVERIES:** Seller is not responsible for any damages resulting from delays beyond its control.
8. **RETURNS:** No goods may be returned to seller without seller's prior written consent. Authorized returns of non-defective goods will be subject to a minimum restocking charge equal to 15% of seller's invoice price.
9. **CLAIMS:** All claims by buyer against seller must be made in writing to Seller within 10 days after buyer's receipt of the goods. Failure to give timely notice will constitute buyer's waiver of all claims relating to the goods and its order. Any notice of an alleged shortage of weight or units must include: (a) for weight shortages, a specification of the weight (including tare); and (b) for unit shortages, a description of the method used in arriving at the count of the goods.

10. **TOLERANCES:** Unless otherwise specified, all tolerances and dimensions will be to seller's standards.
11. **INSPECTION:** Unless seller otherwise states in writing, Seller inspects goods on a sample basis only, pursuant to its standard inspection procedures.
12. **DIES, TOOLS, ETC .:** Charges for dies, tools or gages does not transfer their ownership to buyer or allow buyer the right to remove them from seller's factory.
13. **SHIPMENT:** If buyer requires a certain shipping method, buyer must explicitly state the method in its purchase order. Otherwise, seller will use its discretion as to shipping method. Insured shipments will be insured at Buyer's expense unless seller otherwise specifies in writing. Shipment is *F.O.B. shipping point*, unless seller otherwise explicitly states in writing. Buyer is responsible for making claims for any losses incurred in shipments. Seller will provide buyer with reasonable assistance in preparing and prosecuting claims but will not be required to institute legal action or employ legal counsel.
14. **TELEPHONED INSTRUCTIONS:** Seller is not responsible for errors or misunderstandings related to orders or instructions given to Seller by telephone.
15. **GOVERNMENTAL CHARGES:** Buyer will pay any tax, duty, or other governmental charge relating to this order.
16. **PATENTS:** Buyer will promptly notify seller if it learns of any claim that the goods specified in the order infringes on any patent. If such a claim arises, Seller may cancel the order.
17. **FAIR LABOR STANDARDS ACT:** Seller certifies that the goods were produced in compliance with all applicable requirements of sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of the regulations and orders of the U. S. Department of Labor, issued under the statute's section 14.
18. **EXPORT REGULATIONS:** Buyer agrees to comply with the U.S. Export Administration Act, 50 USC §§2401-2420; the Export Administration Regulations, 15 CFR §§730-774; the U.S. Arms Export Control Act, 22 USC §§2751-2780; the International Traffic in Arms Regulations, 22 CFR §§120-130; the Regulations of the Office of Foreign Assets Control of the U.S. Treasury Department, 31 CFR §§500-599; the Regulations of the Bureau of Alcohol, Tobacco, and Firearms, 27 CFR §§447-555; the Homeland Security Act of 2002; the U.S. Customs and Border Protection Regulations, 19 CFR 1-199 ("CBP"); as well as any applicable export or import requirements of other jurisdictions regardless of whether or not of the United States. If Seller is supplying defense articles, Buyer agrees to maintain a valid and current Directorate of Defense Trade Controls ("DDTC") registration. Buyer shall provide its DDTC registration status (whether registered or not, with expiration date) to Buyer and promptly advise Buyer of any updates or changes to such information, in the format requested by Buyer. With respect to defense articles and services furnished hereunder, Buyer certifies that it has not paid, offered or agreed to pay, and agrees that it shall not pay, offer or agree to pay, for the purpose of soliciting, promoting or otherwise to secure the sale of defense articles and services to or for the use of the armed forces of an international organization or non-U.S. Country, any (i) fees or commissions in excess of \$1,000 or (ii) political contribution (including any gift, rebate or payment of expenses) to a non-U.S. person or entity."  
If Buyer intends for Seller to conduct work for Buyer in a foreign country, including but not limited to the use of Buyer's own facility outside of the U.S. or the use of a foreign affiliate or unrelated subcontractor, Buyer must provide advance written notification to Seller. Buyer is responsible for compliance with applicable export control laws and regulations and for obtaining all export control licenses required by law or requested by Seller.
19. **BUYER'S ACCEPTANCE OF TERMS AND CONDITIONS:** Seller accepts buyer's orders only on the condition that buyer agrees to these terms and conditions. If

buyer does not accept the goods on these terms and conditions, the goods are to be returned at once to Seller, unopened. No agreement or understanding, oral or written, in any way purporting to modify these terms or conditions, whether contained in buyer's purchase order or shipping release forms or elsewhere, will be binding on seller unless made in writing and signed by seller's authorized representative. All prior proposals, negotiations and representations relating to this order are merged in it.

20. **WAIVER:** Waiver by seller of a breach of any one or more of these terms will not be construed as a waiver of a breach of any of the other terms or a waiver of any future breach.

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