



TERMS AND CONDITIONS OF QUOTATION AND SALE

PMI Industries Inc. (“Seller”)

These terms and conditions stated below constitute a part of this Quotation and any contract or sale resulting from it. Unless otherwise stated in writing, the following terms and conditions apply to any contract or sale between Buyer and Seller. No modifications or additions to these terms and conditions, and no terms and conditions inconsistent with those stated herein, that are contained in any document submitted to Seller, shall be binding on Seller unless accepted in writing by an authorized representative of Seller.

1. **Quotation Validity:** A Quotation is valid for thirty days from the date of the Quotation, unless otherwise stated in writing on the Quotation.
2. **Delivery, Title, and Risk of Loss:** Unless otherwise stated prices are FCA “Buyer’s named place of delivery” per Incoterms 2010. Delivery charges, including insurance costs against loss or damage in transit, are the responsibility of the Buyer and shall be added to Seller’s invoice. Title to and risk of loss of goods transfer from the Seller to the Buyer when the goods have been delivered to the carrier at the location designated by the parties in the Quotation or sales contract entered into by the parties.
3. **Terms:** Net thirty days; accounts unpaid beyond 30 days may be charged a service charge of 1½% of the delinquent balance per month upon approval by PMI.
4. **Tax:** Seller has no obligation to pay any tax, duty, or other surcharge applicable to the sale of goods covered by this Quotation. Such charges are the exclusive responsibility of and shall be paid by the Buyer.
5. **Minimum Order:** A minimum charge of \$100.00 shall apply to all orders or contracts placed with Seller.
6. **Inspection:** Unless otherwise stated, Seller’s Standard Quality Assurance Provisions in effect on the date of the Quotation shall apply to the Quotation and any contract or sale resulting from the Quotation. All source inspection or acceptance test programs required by the Buyer, including any inspection or tests beyond Seller’s Standard Quality Assurance provisions in effect on the date of the Quotation, shall be provided to the Seller in writing and are subject to a negotiated additional charge.



7. **Shipment:** Unless otherwise stated, all quoted shipment dates indicate anticipated date of shipment from Seller's plant, and are approximate and subject to change. Seller shall not be liable for delays in shipment caused by events beyond its control. Seller shall not be liable for any direct or indirect loss or damage resulting from a delay in shipment.
8. **Insurance:** Unless otherwise agreed, Seller will declare for insurance purposes the full value of the goods shipped to Buyer.
9. **Shortages:** Seller will not be responsible or liable for any shortages in shipments unless notified in writing by Buyer of such shortage within ten days from receipt of shipment.
10. **Warranty and Limitations of Liability:** Seller warrants that the goods supplied by it have been manufactured in accordance with its standard manufacturing practices and conforms to the descriptions set forth in Seller's Sales Order. Seller further warrants that the goods supplied by it are fit for the ordinary purpose or purposes for which such goods are manufactured, under normal and proper usage and when installed in accordance with Seller's recommended installation procedures. EXCEPT AS STATED HEREIN, SELLER MAKES NO EXPRESS WARRANTY WITH RESPECT TO GOODS SUPPLIED BY IT, AND SELLER EXPRESSLY DISCLAIMS ANY OTHER WARRANTIES, INCLUDING IMPLIED WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. SELLER MAKES NO EXPRESS WARRANTY WITH RESPECT TO ANY GOODS OR MATERIALS NOT MANUFACTURED BY SELLER THAT ARE INCORPORATED INTO SELLER'S PRODUCTS, ANY GOODS OR MATERIALS SUGGESTED BY SELLER AS ACCEPTABLE TO BE USED WITH SELLER'S PRODUCTS, OR ANY GOODS OR MATERIALS THAT ARE SOLD IN CONNECTION WITH SELLER'S PRODUCTS. NOR DOES SELLER WARRANT THAT SUCH GOODS OR MATERIALS ARE MERCHANTABILITY OR FIT FOR ANY PARTICULAR PURPOSE.

As Buyer's sole remedy for any defects in workmanship or material, Seller agrees, at its sole option, to credit, repair, or replace any goods supplied by it which are found to be defective in workmanship or material, provided Seller receives written notice from Buyer of the alleged defect within one hundred eighty (180) days from the date of shipment. Any claim of defect not made within this period shall be conclusively deemed waived by Buyer. Seller's obligations under this paragraph shall not extend to goods or materials supplied by anyone other than Seller, and shall not extend to defects caused by improper use, installation, application or other handling of the goods by Buyer or a third party. Credit, repair or replacement will be preconditioned upon examination of the goods by Seller and if requested by Seller, return of the goods to Seller at Seller's direction and expense. No goods are to be returned to Seller without Seller's prior written consent. Seller shall not be liable for any expense incurred or undertaken by Buyer not authorized by Seller in writing.



SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OR EXPENSES ARISING DIRECTLY OR INDIRECTLY FROM ANY DEFECT IN ITS GOODS OR FROM THE USE OF ANY SUCH GOODS. THE REMEDIES SET FORTH HEREIN SHALL CONSTITUTE THE EXCLUSIVE REMEDIES AVAILABLE TO BUYER AND ARE IN LIEU OF ALL OTHER REMEDIES.

11. **Cancellation:** Seller may cancel any order or contract at any time without penalty if Buyer fails to perform any of its obligations under the order or contract. If Buyer cancels any contract for the sale of goods, it shall be liable to Seller for (1) all work completed with respect to such goods prior to cancellation, at the appropriate unit price; (2) all work in process with respect to such goods prior to cancellation on the basis of the percentage of completion thereof, at the appropriate unit price; (3) all raw materials used by Seller with respect to such goods prior to cancellation; (4) all unamortized tooling used by Seller with respect to such goods prior to cancellation; (5) all engineering and other cancellation charges incurred by Seller with respect to such goods prior to cancellation, on the basis of cost to the Seller plus handling and overhead charges.
12. **Deferred Shipments:** All price quoted are based on Buyer taking shipment within a one (1) year period and with no more than six (6) shipments. All delays requested by Buyer in scheduled shipments must be accepted by Seller prior to implementation, and Buyer shall be solely responsible for charges related to the storage of goods in delayed shipments.
13. **Documentation and Service Charges:** All non-recurring or special engineering, quality assurance, testing, and manufacturing service charges will be invoiced at the time of first shipment or task completion. Changes and/or corrections within the scope of the contract will be made at no cost to the Buyer unless it is beyond normal business practices or requires special procedures.
14. **Buyer-Furnished Materials:** All Quotations provided on the basis of Buyer-furnished cable or devices are contingent upon the cable and devices successfully passing Seller's incoming inspection criteria. Buyer shall be responsible for any increased charges or costs incurred by Seller related to any latent defects or deficiencies in cable or devices it provides to Seller.
15. **Testing Services:** In connection with any testing services performed by Seller on a cable, part, process or product provided by Buyer or a third party, there exists the possibility that the item may be damaged or destroyed during the testing process. Seller will perform such testing in a commercially reasonable manner, but cannot guarantee that the item will not be damaged or destroyed due to design, third-party manufacturer, or other reasons that are beyond Seller's control. By ordering testing services on such items, Buyer fully assumes all risk of damage or loss to such items, and acknowledges that Seller is not responsible or liable



for any damage or loss, except to the extent that such damage or loss is caused by the failure of Seller to use reasonable care in its testing.

16. A reasonable allowance for wear and tear on Buyer-furnished equipment shall be made (i.e. test gear for seller's use).
17. **Special Provisions:**
 - a. Unless otherwise specified in writing and agreed by Seller in writing, all molding and potting will be performed using compounds utilizing military and/or commercially approved techniques.
 - b. Unless otherwise specified, Seller's Standard Quality Assurance Provisions for cable assemblies and systems in effect on the date of the Quotation shall apply to all sales.
18. **Compliance with Foreign Corrupt Practices Act:** Buyer acknowledges that Seller is a United States corporation and, as such, is subject to the provisions of the Foreign Corrupt Practices Act of 1977 of the United States of America (the "FCPA"), which prohibits the making of corrupt payments. Under the FCPA, it is unlawful to pay or to offer to pay anything of value to foreign government officials, or employees, or political parties or candidates, or to persons or entities who will offer or give such payments to any of the foregoing in order to obtain or retain business or to secure an improper commercial advantage. Buyer warrants that it has read and agrees to Seller's Customer Code of Conduct, which is incorporated by reference hereto. Buyer further warrants that it shall not violate or cause Seller to violate the FCPA, in connection with Buyer's sale or distribution of the products and/or services, and that Buyer does not know or have reason to believe that any consultant, agent, representative or other person retained by Buyer in connection with the sale and/or distribution of the products and/or services has violated, nor caused PMI to violate the FCPA. Where Buyer learns of or has reason to know of any violation of the FCPA in connection with the sale or distribution of the products and/or services, Buyer shall immediately advise Seller.
19. **Governing Law and Venue:** This Agreement shall be governed by the laws of the State of Ohio, without regard to its conflict of laws principles. The exclusive jurisdiction and venue for any lawsuit, legal action or other proceeding or dispute arising from the sale of goods or contract between the parties resulting from this Quotation shall be the state or federal courts located in Cuyahoga County, Ohio.
20. Neither Party shall have the right to assign any of its rights, duties or obligations hereunder.
21. These terms and conditions constitute the entire understanding between the Parties relating to the subject matter contained herein and supersedes all prior and contemporaneous understandings and agreements by and between the parties, whether written or oral, with respect to such subject matter.