



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. Unless otherwise stated, all Quotations are stated in U.S. Dollars.

2. **Delivery, Title, and Risk of Loss:** Unless otherwise stated prices are:

For Domestic Sales: FCA “PMI Dock, Cleveland, Ohio” per Incoterms® 2010.

For International Sales: FCA “PMI Dock, Cleveland, Ohio” 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. Seller shall retain legal and equitable title to the goods and title will pass to Buyer only when the purchase order, taxes, shipping and all other related charges are paid in full to Seller. Buyer agrees to complete and execute all documents required for Seller to perfect its legal and equitable title rights in the goods and allow Seller to repossess the goods in the event the Buyer fails to pay all outstanding amounts upon written demand from Seller. Under no circumstances will Seller be liable for any damages, penalties, costs, or offsets arising out of or in connection to the failure to deliver or late delivery of any order including, without limitation, indirect, incidental, consequential, special, or exemplary damages. Seller shall be excused from its delivery obligations and not be liable to the Buyer for failure to sell or supply, for any delay in selling or supplying any of the goods, in the event of or due to acts of God, fire, explosion, flood, war, terrorism, riots, warlike conditions, hostilities, sabotage, civil unrest, labor disputes, epidemic, shortage or failure of supply of raw materials or equipment, shortage or failure of power, interruption, shortage, failure or delay of supply of communications or transportation, governmental actions, orders, laws, and regulations, or any other similar circumstances or events that are beyond Seller’s reasonable control.

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. **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.
9. **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 12 months 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.

10. **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.
11. **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.
12. **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.
13. **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.

14. **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.
15. A reasonable allowance for wear and tear on Buyer-furnished equipment shall be made (i.e. test gear for seller's use).
16. **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.
17. **Intellectual Property Rights:** Seller asserts all its trademarks, trade names, trade dress, patents, utility models, industrial designs, drawings, copyrights, sounds, internal manufacturing procedures, product specifications, and all other intellectual property (collectively "Intellectual Property") it owns at the time the Buyer purchases the goods. Unless otherwise agreed in writing by Seller, all right, title, and interest in inventions, developments, improvements, or modifications of any good made by Seller as a result of Buyer's purchase shall remain exclusively with Seller. Buyer's purchase of the goods does not grant to it a license or other rights in Seller's intellectual property rights. In the event a third-party claims any goods sold to the Buyer infringes any intellectual property rights, Buyer shall (i) promptly notify Seller, in writing, of the claim; and (ii) upon request, grant Seller the sole authority to investigate and control the defense of the claim. Whether Seller defends such a claim brought against the Buyer is within Seller's sole discretion. Seller has no obligation to defend any such claim. Unless otherwise agreed in writing, the terms of this provision set forth the entire obligation and liability of Seller to Buyer for claims of infringement by any goods sold or supplied to Buyer by Seller.



18. **Compliance with Antibribery Laws, U.S. Trade Laws, and Regulations:** Buyer warrants and represents that it is familiar and will comply with the requirements of the U.S. Foreign Corrupt Practices Act, the OECD Antibribery Convention, and similar national laws that may apply to Buyer or the sale of goods from Seller. Buyer warrants and represents that its employees and agents will not offer, pay, promise to pay, give or promise to give any money or anything of value, directly or through third parties, to any government employee, official, political party, political official, candidate for political office or to any other person, while knowing or having reason to know that all or a portion of such money or thing of value will be offered, paid, given or promised, directly or indirectly, for purposes or influencing any act or decision of any of such persons or entities or inducing any such persons or entities to use his, her or its influence with a government entity, agency, body or instrumentality to affect or influence any act or decision of such government entity, agency, body or instrumentality. In addition, Buyer warrants and represents that it is familiar and will comply with United States laws, regulations, and executive orders, including but not limited to the Export Administration Regulations, the International Traffic in Arms Regulations, the Foreign Trade Regulations, and the antiboycott and embargo regulations, including the avoidance of transactions with any party listed on the “Denied Persons List,” the “Entity List,” the “Unverified List,” the “Sectoral Sanctions List,” and “Specially Designated Nationals List” or similar lists in effect at the time of the Quotation or sale and maintained by the Department of Commerce and the Department of the Treasury, Office of Foreign Assets Control, or any other U.S. government office or agency. Buyer agrees to indemnify and hold Seller harmless from and against claims, fines, penalties, settlements, assessments, damages, costs and expenses (including attorney fees) that may be sustained by reason of Buyer’s failure to comply with such laws, regulations, and executive orders. Buyer will cooperate with Seller in obtaining appropriate export licenses for the goods and will submit all documentation requested by Seller in connection therewith. If Buyer exports goods, Buyer assumes responsibility for obtaining required export, re-export, transfer, and import authorizations and will not export or transfer goods, technology, technical data, or software in violation of applicable export regulations, including their diversion or transshipment. Buyer agrees to include these requirements in any contracts for the resale or other transfer of the goods.

19. **Choice of Law; Dispute Resolution:**

a) For Domestic Sales:

Without regard to any conflict of laws principles, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio, including its statutes of limitations. 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 transaction shall be the state or federal courts located in Cuyahoga County, Ohio.



b) For International Sales:

Without regard to any conflict of law principles, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio, including its statutes of limitations, and the United Nations Convention on Contracts for the International Sales of Goods, when applicable to the transaction. In the event that a dispute shall arise concerning the validity, construction, performance or any other issue arising out of or relating to these terms and conditions, the parties shall first attempt to resolve such issues by engaging in good faith amicable discussions for a period of thirty (30) days. If any dispute or claims remain unresolved after such period, the dispute shall be submitted to the International Centre for Dispute Resolution (ICDR) for final and binding arbitration under that body's International Arbitration Rules before a single arbitrator who is a national and active member of the bar of the State of Ohio. Either party may request arbitration of the remaining disputes. Emergency interim relief may be granted according to the ICDR's rules. Buyer agrees to waive any sovereign immunity claims or defenses that may otherwise be available to it. All proceedings shall be conducted in English and the seat and venue of the arbitration shall be Cleveland, Ohio, USA. All monetary awards shall be made in U.S. Dollars. The arbitrator may award costs, fees, and other expenses of the arbitration, including reasonable attorneys' fees, to the prevailing party. The parties may undertake to carry out any such award, without delay, under the terms of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) or other applicable conventions or treaties.

- 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. For international sales, the English version of these terms and conditions are controlling and binding on Seller and Buyer and any translation is for the convenience of the Buyer only.

I have read and accept PMI's "TERMS AND CONDITIONS OF QUOTATION AND SALE" as outlined above and understand that these T&C's will be applicable to any purchase or shipment resulting from quote # _____.

Authorized Signature

Date

Printed Name

Title