



Terms and Conditions of Sale

1. **Terms:** F.O.B. shipping point unless otherwise specifically provided by Nelson. Payment of invoices is due 30 days after shipment with approved credit. Down payments and progress payments may be required on equipment requiring engineering content. No cash discounts are allowed.
2. **Quotations** Stenographical and clerical errors subject to correction. All quotations, unless otherwise stated, are for immediate acceptance. Until an order is accepted by Seller, quoted prices are subject to change without notice.
3. **Change of Price** Goods will be billed at prices prevailing at time of shipment and Buyer agrees to pay Seller at the billed prices.
4. **Credit** Accounts will be opened only with firms or individuals with approved credit. Seller reserves the rights to withhold deliveries until Buyer provides cash or security satisfactory to Seller if Seller has any doubts about Buyer's responsibility or ability to make payments.
5. **Cancellation** Orders may be canceled or deliveries deferred only upon the condition that the Buyer assume immediate liability and make payment to the Seller for all work complete at the unit price; work in process on the basis of the percentage of completion thereof times the order unit price; raw material, unamortized tooling, engineering and other cancellation charges incurred on the basis of cost to the Seller plus handling and overhead charges. All cancellation charges shall be determined at the time of cancellation or deferment.
6. **Quantities** Except when otherwise specifically agreed to by the parties in writing, Buyer will accept over-run or under-run on each individual item of five percent (5%) on orders of 10,000 pieces or less, and three percent (3%) on orders over 10,000 pieces. Buyer understands that Seller's quotations are based on the assumption that Buyer will accept over-run and under-run in accordance with these percentages. Quantities stated by Seller are normally determined by weight or machine count.
7. **Deliveries** The Seller does not assume the responsibility for any damage growing out or owing to any delays which are beyond his control.
8. **Returns** No material may be returned without first obtaining written permission from the Seller. Authorized returns will be subject to minimum 25% or \$100 (whichever is

greater) restocking charge. Non-standard items, as defined by Seller, are not returnable.

- 9 **Claims** If Buyer claims that material received is not as ordered, it must notify Seller within five (5) business days of receipt of the material. If both parties agree that the material is not as ordered, Seller shall, at its discretion, repair or replace the material, or credit Buyer for the non-conforming material. Buyer must make any claim for shortage within five (5) business days of its receipt of the materials, and must include with its claim the weights it found in the shipment, including tare, and must provide Seller with the method used in arriving at a count of the parts. If Seller agrees with Buyer's claim that a shortage exists, Seller will, at its discretion provide a credit for the shortage or complete the order consistent with the requirements described in paragraph 6 of this Terms and Conditions of Sale. The parties agree that Seller shall have no liability for expenses incurred by Buyer in using materials provided under this agreement, and that Seller shall have no liability for claims of defective goods if Buyer performed any further processing of those goods resulting in changes in dimension or characteristics of those goods.
- 10 **Limited Warranty** Seller's only warranty is that goods being sold will be free from defects in workmanship and material. This Warranty Is Expressly In Lieu Of Other Warranties, Expressed Or Implied And Whether Statutory Or Otherwise, Including Any Implied Warranty Of Merchantability Or Fitness For A Particular Purpose. Seller's liability for breach of warranty shall arise only upon return of the defective goods at Buyer's expense after notice to Seller of the claimed breach, and shall be limited to furnishing a like quantity of such goods free from such defects or, at Seller's option, to refunding the purchase price, provided however, that Nelson will not accept receipt of equipment returned unless Buyer had previously afforded Seller's personnel a reasonable opportunity to inspect and repair said equipment at Buyer's facility or such other location as is mutually agreeable. Notice to Seller of claimed defects must be given within 30 days after receipt of equipment shipment and within 5 days after receipt of other goods. Seller shall never be liable for any consequential damage.
- 11 **Tolerances** Unless otherwise specified, all tolerances and dimensions will be to standards of Seller.
- 12 **Inspection** Inspection by the Seller is made on a sample basis only in accordance with standard inspection procedures of seller.
- 13 **Dies, Tools, Etc.** Charges for dies, tools or gages do not convey ownership or the right to remove them from Seller's factory.
- 14 **Shipment** Shipments are made at Buyer's expense. In ordering, the Buyer should explicitly state the method of shipment preferred and in the absence of such shipping directions, the Seller will use its discretion in employing the method of shipment for the material ordered. Domestic shipments are made at Buyer's risk. Insured shipments will be insured at Buyer's expense. Claims for losses incurred in shipments shall be made Buyer against carrier. Seller will assist Buyer in preparation and prosecution of claim in every practicable way.
- 15 **Telephoned or Facsimile Instructions** Seller accepts no responsibility and Buyer cannot hold Seller responsible for errors of misunderstanding in complying with orders or instructions given to Seller by telephone or facsimile.
- 16 **Taxes** Any sales tax now in force and any tax, impost, levy, duty or other charge

hereafter imposed by any Government or other authority upon the production, use or sale of any goods ordered hereunder or upon the materials, methods, or machines for producing the same, and any increase in cost to Seller in manufacturing, processing, or delivering any goods sold hereunder, resulting directly from Government supervision, regulation or control, now or hereafter prescribed by law or in force, and affecting Seller's performance of its obligations hereunder, shall be added to the purchase price as herein noted or any revisions thereof, and shall be paid by Buyer.

17 **Patents** It is not the intention of the Seller to manufacture or sell any product which, or the use of which, infringes on any patent and it is understood that the Seller will be promptly notified by the Buyer if the product on which he is quoting or offering for sale, or the use thereof, infringes on any patent. If such infringement exists, the Seller reserves the right to withdraw the quotation, and if the Seller is not given the notice specified herein, Seller will not be obligated in any way to indemnify Buyer for any losses or damages incurred because of such a patent infringement.

18a **Domestic Shipments - Passage of Title/Risk of Loss** After delivery of products to carrier all risk of damage to or loss or destruction of the products shall be borne by Buyer. Unless otherwise specified on Buyer's order, shipment may be made by method or carrier deemed most feasible by Seller.

18b **Export Shipments - Passage of Title/Risk of Loss** All property rights in products shipped by Seller to Buyer, including title to beneficial ownership of, control over, and the risk of loss or damage to such products, shall remain with Seller until such products arrive at the port or point of entry. The products shall be deemed to arrive at the port or point of entry, in the case of ocean or air shipments, at the time and place at which they are unloaded by the international carrier and, in the case of land shipments, at the time and place in Buyer's country at which the products enter such country. No sale shall be deemed to have taken place unless and until the products arrive at the port or point of entry. References such as C. & F., C.I.F., F.A.S., F.O.B., C.O.D. or similar terms shall be used merely to calculate prices. Such terms, the time, method or place of payment or of endorsement or delivery of shipping documents, the method of shipment, the manner of consignment, the contents of Buyer's purchase order or Seller's invoice or other documents or papers relating to the sales transaction shall not be deemed to limit or alter the foregoing rights of Seller in the products. Seller will insure for its own benefit products shipped to Buyer until such products arrive at the port or point of entry, all premiums for Buyer's account. Where laws or regulation of Buyer's country require Buyer to take out insurance, the policy shall be for the benefit of the Seller whether or not Seller is named as insured in such policy, until the products arrive at the port or point of entry. Where possible under the laws and regulations of Buyer's country, the policy shall provide that it is for the benefit of Seller and/or Buyer "as their interests may appear. Insurance by Buyer shall not affect Seller's property rights in the products as provided in this paragraph. Buyer will, upon request, take any actions and provide any certificates, undertakings, or other papers required of Buyer to enable Seller to effect the exportation of the products from the United States, and he will, when the products arrive at the port or point of entry, accept title, ownership, control over, and the risk of loss or damage to such products, accept delivery thereof and take all actions and pay all duties, taxes, fees, charges or other costs of whatsoever nature necessary to effect the importation.

19 **Fair Labor Standards Act** Seller certifies that its 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 regulations and orders of U.S. Department of Labor, issued under

Section 14 thereof.

- 20 **Agreement** All orders placed by Buyer with Seller are accepted subject to these terms and conditions of sale. No terms, conditions or warranties other than those stated herein, and no agreement or understanding, oral or written, in any way purporting to modify these terms or conditions, whether contained in Buyer's purchase or shipping release forms, or elsewhere, shall be binding on Seller unless hereafter made in writing and signed by its authorized representative. All proposals, negotiations and representations made prior, and with reference hereto, are merged herein.
- 21 **Waiver** Waiver by Seller of a breach of any one or more of these provisions shall not be construed as a waiver of a breach of any of the other provisions nor shall a waiver by Seller of any breach of these provisions be construed as a waiver of any future breach.
- 22 The Equal Employment Opportunity Clause in Section 202 of Executive Order No. 11246, as amended, relative to equal employment opportunity and the implementing rules and regulations of the Office of Federal Contract Compliance are incorporated herein by specific reference.
- 23 **Veterans Employment** If goods or service furnished under this order are for the United States Government, the clause required by 41 CFR 50-250.2 as amended, relating to listing of employment openings, is incorporated herein by specific reference.