

**ELECTRI-CORD MANUFACTURING CO.,
TERMS AND CONDITIONS OF SALE
REV 1, JUNE 1, 2020**

1. DEFINITIONS.

The word "Seller" as used herein shall mean Electri-Cord Manufacturing Co. The word "Buyer" shall mean the party to whom the Electri-Cord product is sold. The term "Product" means any components or service sold by Seller.

2. ACCEPTANCE. All Contracts and orders are subject to final acceptance at the home office of Seller at Westfield, Pennsylvania. The terms and conditions herein contained, any additional "Supplement to Terms and Conditions of Sale", and terms and conditions stated in Seller's quotations shall constitute the only agreement between Seller and Buyer. Any terms and conditions originating with Buyer are hereby expressly rejected and shall not be or become a part of the contract between Buyer and Seller unless specifically accepted in writing by a duly authorized officer of Seller. Seller's quotation is made subject to prior sales to third parties. In any event, said quotation will become void if not accepted by Buyer within thirty (30) days from the date of the offer. Seller reserves the right to hold shipment of telephone or oral orders until written confirmation has been received from Buyer. Buyer assumes full responsibility for inaccurate or incomplete data supplied on special orders.

3. PRICES. All quoted prices are valid for thirty (30) days; however, are subject to change without notice at any time and are based in part on the applicability of the Terms and Conditions set forth herein. Should Buyer desire other or different terms, the prices may be adjusted accordingly. Prices are F.O.B. Point of Shipment for Product boxed, crated or skidded for domestic shipment (export packing charges are extra). Prices are those in effect at the time the order is shipped. Seller reserves the right to cancel Buyer's order in the event that (a) any government price regulation, schedule or ceiling prescribes a price lower than Seller's price as established in the order acknowledgment or in any way prevents Seller from purchasing or otherwise acquiring any commodity or service necessary to the performance of the order, or in any way prevents Seller from adjusting its prices when the cost of any such commodity or service is increased, and (b) in the event any major change in economic conditions renders Seller's performance unprofitable.

4. TAXES. Prices do not include any sales, use, excise, property or other such taxes that may be levied on the transaction by local, state, federal or foreign governments. Any taxes Seller is required to collect from Buyer will be added to the invoice or billed separately to Buyer.

5. TERMS OF PAYMENT - DOMESTIC. Unless otherwise specified in Seller's quotation, the terms of payment will be net thirty (30) days from date of invoice, subject to credit approval by Seller's credit department. In cases where shipment of a completed product is delayed at the request of Buyer. Seller reserves the right to issue an invoice for Product as of the date it becomes ready for shipment. Any account thirty (30) days past due over the stated terms will be placed on credit hold resulting in no new orders accepted, any current orders placed on hold and no shipments released. Late charges at the rate of 1.5% per month (18% annually) may be charged on past due accounts. **TERMS OF PAYMENT - FOREIGN.** Unless otherwise specified in the quotation and upon Seller's acceptance of the order, the terms of payment shall be through an irrevocable letter of credit, with all payments to be made in United States Dollars. The letter of credit, to be established through and confirmed by a Pennsylvania bank, shall provide for payment against Seller's sight draft, accompanied by a commercial invoice, Buyer's forwarding agent's receipt acknowledging delivery of Product to a United States port and such other documents, if any, as may be required by the governments involved.

6. PRODUCTION ESTIMATES. Any projected production figures and performance data are estimates based on Seller's understanding of the specifications desired, available facilities, operator skill and other specified factors affecting production, and do not constitute a guarantee of production.

7. CANCELLATIONS/RESCHEDULING. Any request for cancellations or reschedule must be submitted to Seller by Buyer in writing. The Seller requires a frozen window of thirty (30) days where orders may not be moved or cancelled. Requirements beyond thirty (30) days may be rescheduled up to sixty (60) days from the original request date. Demand beyond ninety (90) days may be reviewed for cancelation, however, will be subjected to a cancelation fees, raw material restocking fees and/or 100% of the value of all unique/excess NCNR material. The cancellation fee will be calculated on the basis of Seller's full cost plus 15% (for all engineering work, all work in process and raw materials, all supplies and all commitments made by Seller in connection with the order) less such allowances as Seller may be in a position to make for any standard components and for the balance of the material as scrap. Buyer shall promptly instruct Seller as to the disposition of Product, and Seller, if instructed, shall hold Product for Buyer's account. All costs of storage, insurance handling, boxing or other costs in connection therewith shall be borne by Buyer.

8. MATERIAL LIABILITY. The Seller will use the buyer's supplied forecast for planning purposes only, unless a mutually acceptable liability agreement has been developed and signed by both parties. Material will be purchased to the manufacturer's lead time which is subject to change. The Seller will make every effort to communicate any changes as notified. Unique/NCNR materials must be depleted during the manufacturing process and/or purchased separately within ninety (90) days after a product was last utilized. The Seller will often leverage volume agreements with suppliers in an effort to obtain the best unit price which often times requires the Buyer to place minimum order quantity (MOQ) orders, which must be used or purchased within ninety (90) days after agreed upon terms.

9. ENGINEERING CHANGES. The Buyer agrees to submit all Engineering Changes in writing to Seller. The Seller will use commercially reasonable efforts to evaluate the feasibility of the Engineering Change requested by Buyer within ten (10) business days of receipt and respond to Buyer in writing with the potential impact of the change related to on-hand or order inventory, work-in-progress and delivery schedule.

10. DELIVERY. The quoted delivery dates are approximate, and a more specific date will be established upon Seller's acceptance of Buyer's order. Delivery dates are subject to revision at any time due to causes beyond Seller's control. These would include, but not be limited to, delay in receipt of Buyer's signed order or complete specifications, fire, shortages of material, transportation delays, strikes, failure of suppliers or subcontractors to meet delivery schedules, war, riots, pandemics and any action or priority system imposed by authority of any government agency. Any delay or nondelivery caused by the foregoing shall not result in liability for Seller. The Seller reserves the right to a ±5% shipping tolerance to the release quantity unless directed by the Buyer to ship exact quantities. Delivery to a common carrier or licensed trucker shall constitute tender of delivery to Buyer, and all risk of loss or damage in transit shall be borne by Buyer. In no event shall Seller be held liable for damages or contingent expenses caused by delays in delivery. Seller reserves the right to stoppage in transit and to repossess Product, notwithstanding delivery to the carrier, until payment in full has been made to Seller, and as further security for payment, Buyer hereby grants a security interest in all Product until paid for in full to Seller with all of the rights and remedies of a secured party under the Uniform Commercial Code. No claim relating to quantity, condition, loss or damage to the goods made by Buyer will be accepted by Seller after 90 days after date of shipment.

11. WARRANTY, DISCLAIMER, LIMITATION OF LIABILITY AND

REMEDY. The Seller warrants any stocked power cords have a one (1) year warranty on material and workmanship unless altered in any way from the original specifications. The Seller warrant to the original Buyer that Product sold directly by Seller or through an authorized representative will be free from defects which are not commercially acceptable in workmanship for a period of 12 months from the date of shipment when used by the original Buyer within limits of rated and normal usage, with the material warranty offered by the component manufacturer. The terms of this warranty do not in any way extend to any Product or part thereof which has a life under normal usage inherently shorter than the 12- month period indicated above. Seller's obligation and liability with respect to components shall be limited to the extent of express warranties received by Seller from such component manufacturers. This warranty is void and of no effect and Seller shall not be liable for any breach of warranty, express or implied, if Product or any part or component thereof shall have been repaired or altered by persons other than Seller, unless expressly authorized in writing by Seller, or if Product is operated or installed contrary to Seller's instruction, or subjected to misuse, negligence or accident. Written notice of any claimed defect within the warranty period must be presented to Seller immediately upon Buyer's discovery of the defect. Seller shall have the option to inspect any parts claimed to be defective either at Seller's place of business or at Buyer's place of manufacture while Product is in the claimed defective condition. No return shall be accepted unless Seller has had an opportunity to inspect Product or has expressly authorized the return. Operation of Product must be suspended until written clearance is issued for continued operation, provided that Seller, upon receipt of written notice of a claimed defect, will proceed without unreasonable delay to remedy any defect coming within the warranty which is found to exist. During the warranty period, parts found to be defective by Seller's inspection will be furnished free of charge, shipment F.O.B. Point of Origin. THERE ARE NO OTHER WARRANTIES THAT EXTEND BEYOND THE WARRANTY HEREIN CONTAINED. THE WARRANTY STATED HEREIN IS IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND IS IN LIEU OF ANY AND ALL OTHER OBLIGATIONS OR LIABILITIES ON SELLER'S PART. No statement, oral or written, inconsistent with this warranty is binding on Seller. No agent, employee or representative of Seller, other than an officer duly authorized, has any authority to bind Seller to any confirmation, representation or warranty concerning Seller's Product beyond that specifically included in the warranty contained herein. UNDER NO CIRCUMSTANCES WILL SELLER BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGE OR EXPENSE OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, PERSONAL INJURIES AND LOSS OF PROFITS ARISING IN CONNECTION WITH ANY CONTRACT OR WITH THE USE, ABUSE, UNSAFE USE OR INABILITY TO USE SELLER'S PRODUCT. Seller's maximum liability shall not exceed, and Buyer's remedy is limited to, either (a) repair or replacement of the defective part or Product, or, at Seller's option, (b) return of Product and refund of the purchase price; such remedy shall be Buyer's entire and exclusive remedy. The sole purpose of the stipulated exclusive remedy shall be to provide Buyer with free repair or replacement of defective Product, or refund of the purchase price, in the manner provided herein. This exclusive remedy shall not be deemed to have failed of its essential purpose so long as Seller is willing and able to repair or replace defective Product, or to refund the purchase price, in the prescribed manner.

12. REPAIRS AND SERVICE - NON-WARRANTY. The cost of all servicing of Product not provided for in the preceding sections may be charged for by Seller at a per diem rate per man per workday plus transportation and expenses.

13. PROPERTY RIGHTS. Seller retains for itself any and all property rights in and to all designs, engineering details and other data pertaining to any Product designed in connection herewith and to all rights of discovery, invention or patent rights arising out of work done for Buyer. Buyer expressly agrees that it will not assert any property rights therein, except the rights for itself and subsequent owners to use Product. Any prints, brochures, drawings or other information furnished to Buyer by Seller are intended solely for the confidential use by Buyer, shall remain the property of Seller and shall not be used to the detriment of Seller's competitive position.

14. PATENT INDEMNITY. If any Product furnished by Seller is rightfully claimed to infringe on any United States patent issued at the time Buyer's order is accepted, Seller agrees, at its option, (a) to procure for Buyer the right to use Product, or (b) to modify or replace Product so as to avoid infringement, or (c) to accept redelivery of Product and reimburse Buyer for the purchase price and any transportation expenses incurred by Buyer. Should any litigation be instituted against Buyer based on a claim that any Product in the condition received from Seller infringes on any United States patent, Seller will undertake the defense thereof in Buyer's behalf and pay any damages and costs awarded therein against Buyer, provided Seller is given prompt written notice and is furnished with copies of all demands, process and pleadings, and Buyer cooperates fully in giving Seller authority, information and assistance at Seller's expense for such defense, as well as control over the defense and any negotiations with regard to settlement. THE FOREGOING REPRESENTS SELLER'S ENTIRE AND EXCLUSIVE OBLIGATION WITH RESPECT TO ANY CHARGE OF PATENT INFRINGEMENT. SELLER SHALL HAVE NO RESPONSIBILITY INSOFAR AS ANY PRODUCT IS MODIFIED BY BUYER OR IS MADE OR MODIFIED BY SELLER IN ACCORDANCE WITH BUYER'S ORDER, AND BUYER SHALL INDEMNIFY SELLER IN ACCORDANCE WITH THE INDEMNITY IN PARAGRAPH 12 ABOVE FOR ANY CLAIM WHICH ARISES OUT OF SELLER'S COMPLIANCE WITH BUYER'S SPECIFICATIONS. SELLER SHALL ALSO HAVE NO RESPONSIBILITY WITH REGARD TO ANY SETTLEMENT, ADMISSION OR PROMISE MADE BY BUYER WITHOUT SELLER'S PRIOR WRITTEN CONSENT, NOR SHALL SELLER BE LIABLE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING LOSS OF PROFITS, CLAIMED TO HAVE BEEN SUSTAINED BY BUYER OR ANY USER OF PRODUCT ARISING OUT OF ANY CLAIM OF INFRINGEMENT. Seller is entitled to indemnity from certain of its suppliers, and the rights and options vested in Seller shall extend to such suppliers and may be exercised by them.

15. LIMITATION OF ACTION. Any action for breach of Seller's warranty must be commenced within 12 months from the time the cause of action occurs unless the period for action shall be extended by Seller in writing. In the interpretation of the limitation of action for breach of Seller's warranty, it is expressly agreed that there are no warranties of future performance of Product that would extend the period of limitation herein contained for bringing an action. IT IS EXPRESSLY UNDERSTOOD THAT ANY EFFORT BY BUYER, SELLER OR AGENTS TO REPAIR ANY PRODUCT SHALL NOT EXTEND THE 12-MONTH PERIOD OF LIMITATION UNLESS SELLER AGREES IN WRITING THAT THE WARRANTY SET FORTH IN PARAGRAPH 8 APPLIES TO REPLACEMENT PARTS AS WELL AS PRODUCT ORIGINALLY SOLD, AND NOTHING EXCEPT SELLER'S WRITTEN CONSENT SHALL EXTEND ITS OBLIGATION IN WARRANTY MORE THAN 12 MONTHS BEYOND THE SHIPMENT DATE OF THE ORIGINAL PRODUCT.

16. INSTALLATION COSTS. All costs incident to installation of any Product shall be borne solely by Buyer.

17. INTERPRETATION. Any contract resulting from Seller's quotation shall be governed by and construed in accordance with the laws of the State of Pennsylvania.



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www.ECMfg.com

Phone: 814.367.2265