

# HEATRON

## TERMS AND CONDITIONS OF SALE

1. **STANDARD TERMS:** These standard terms and conditions shall be applicable to the contract for sale except as otherwise specifically stated on Heatron's Quotation, provided to Buyer in writing.

2. **CONFLICTING TERMS:** If this document is deemed to be an offer by Seller, acceptance of this offer by Buyer is limited to acceptance of the terms and conditions set forth in this document, and any attempt by Buyer to vary any of such terms and conditions shall be deemed a material alteration. Seller expressly objects to any conflicting terms and conditions in Buyer's request for a quotation, its purchase order or any other documents containing terms and conditions intended by Buyer to become a part of the contract of sale. No such additional or conflicting terms and conditions shall be a part of the contract for sale or in any way binding on Seller.

3. **PRICES:** The price of any goods or services to be provided or shipped to Buyer more than six months after the date of Seller's written Quotation is subject to increase by Seller upon reasonable notice to Buyer. Any additional goods or services provided by Seller are subject to charge at Seller's standard rates. Prices include ordinary packing only.

4. **FREIGHT CHARGES AND TAXES:** Freight rate information used in this document, if any, has been supplied by the carriers. Buyer will verify these charges prior to shipment. Seller shall have no liability with respect to any changes or corrections in the freight rates by the carriers. Prices do not include any applicable sales, use, excise, or similar taxes. Any such taxes or charges will be added to Seller's invoices as separate items.

5. **QUANTITY VARIATIONS:** The quantities shipped may vary slightly from the quantities ordered due to production losses. So long as the variance is within the following limits, Seller shall be in compliance with the contract for sale and Buyer shall be obligated to pay for the quantities actually shipped at the unit prices specified in the contract for sale.

Quantity on order:	Amount Shipped:
<10 pcs	up to 1 unit short
10 to 24 pcs	up to 2 units short
25 to 49 pcs	up to 3 units short
50 to 99 pcs	up to 4 units short
>100 pcs	up to 5% short

Discrepancies in quantities of units received by Buyer must be reported to Seller within 5 days following receipt of goods. AFTER 5 DAYS, NO ALLOWANCES WILL BE MADE FOR QUANTITY DISCREPANCIES.

6. **TRANSPORTATION AND DELIVERY:** All delivery dates are approximate. Delivery will be made **EXWORKS** Seller's manufacturing plant. Delivery to the chosen carrier shall constitute delivery to Buyer, and title to the goods and risk of loss shall pass to Buyer at that point. Seller shall have the right to choose means of transportation and to route shipments when specific instructions are not included with Buyer's order. Seller reserves the right to make and to invoice for partial shipments of completed articles. Seller shall have no liability, and Buyer's order shall not be subject to cancellation, because of any delay or failure in delivery due to governmental action, acts of terrorism, war, riot, embargoes, strikes or other labor troubles, fire or other damage to or destruction of manufacturing plants, lack of or inability to obtain raw materials, components, labor, fuel or supplies, lack of or delay in transportation, any act of God or other cause or circumstance beyond Seller's reasonable control which prevents or hinders the manufacture or delivery of the goods or

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services or makes the fulfillment of the contract for sale impracticable. In the event of delay for any such cause, the specified delivery date shall be extended for a reasonable length of time, but not less than the period of delay.

7. **TERMS OF PAYMENT:** Payment of Seller's invoice shall be due within 30 days after Seller's invoice is sent. If full payment is not received within thirty days an additional payment shall be due equal to one and one-half percent of the unpaid amount of the invoice for each month, or portion thereof, that Seller's invoice remains unpaid. If Seller is required to use the services of an attorney or collection agency to collect amounts due from Buyer, Buyer shall pay the reasonable attorney's fees and other expenses incurred by Seller in connection with such collection.

8. **EXPRESS WARRANTY:** All Heatron products are warranted to be free from defects in material and workmanship and to meet any specifications that are a part of the contract for sale. This warranty is for a period of one year after delivery of the goods. Any claim for breach of warranty must be made in writing within the warranty period or shall otherwise be barred. If this warranty is not satisfied, Seller's sole responsibility shall be to repair or replace, at its expense, any goods or services, which fail to meet the warranty, or, at Seller's option, to refund the purchase price of the defective goods. Buyer shall not be entitled to any other remedy.

9. **WARRANTY LIMITATIONS AND EXCLUSIONS:** Seller's warranty shall not apply to any goods or services which are used for any purposes other than those for which such goods and services are intended, or which are abused, neglected or subjected to any corrosive, destructive or other adverse conditions not disclosed in the specifications that are a part of the contract for sale. No representation or warranty made in Seller's advertising or by any agent, employee or representative of Seller which is not specifically included by reference in Seller's written Quotation will be a part of, or relevant to supplement or explain, the contract for sale. Seller does not warrant any products against burn out. Seller's warranty is expressly limited to Buyer and is not extended to customers of Buyer or any other person. SELLER EXPRESSLY DISCLAIMS AND EXCLUDES ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Buyer's sole and exclusive remedy against Seller with respect to defective goods or services shall be Seller's obligation to repair, replace or refund the purchase price as set forth in the Express Warranty above. Seller shall not be liable for the cost of locating defects, providing transportation, removing or reinstalling items with defects or for damages of any kind or character, including, without limitation, incidental, consequential or punitive damages.

10. **ORDER CHANGES AND CANCELLATIONS:** Buyer's order is not subject to cancellation, in whole or in part, without Seller's written consent. Buyer shall, however, have the right, by giving written notice to Seller, to make changes in the quantity, drawings, design or specifications for goods to be manufactured until Seller commences manufacturing. Upon receipt of any such notice, Seller shall notify Buyer as promptly as possible of changes in price and the time required for performance. Buyer shall remain responsible for any costs and expenses incurred by Seller with respect to its performance prior to its receipt of notice of change and for Seller's reasonable profit and reasonably allocated sales and overhead expenses with respect to changes which reduce the quantity or aggregate price of the goods subject to the contract for sale.

11. **CUSTOMER CREDIT:** Sales will be made on open account only if Buyer's credit is approved by Seller prior to shipment. In the absence of prior approval, Seller may withhold shipments until Buyer tenders payment in cash. Seller reserves the

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*right to suspend its performance, and to withhold delivery, whenever Seller reasonably believes that Buyer's performance of the contract for sale, including prompt payment, may not be forthcoming in a timely manner. Seller will not be required to resume performance on its part until reasonable assurances of performance are provided by Buyer and may terminate the contract for sale entirely if such assurances are not provided in a reasonable time.*

**12. RETURNING MERCHANDISE:** *Seller will accept No returned goods unless Seller has approved arrangements for return in writing in advance. Buyer must obtain an RMA (Return Material Authorization) number from Seller prior to returning the goods.*

**13. GOVERNING LAW:** *Seller's Quotation and any resulting contract for sale shall be governed by the laws of the State of Kansas.*

**14. PATENTS AND DESIGNS:** *Buyer will, at its expense, indemnify and hold Seller harmless from any and all suits, claims, liabilities, losses or expenses, including reasonable attorney's fees, resulting from or by reason of any actual or claimed patent, copyright, trademark or service mark infringements, foreign or domestic, of goods manufactured to specifications that are a part of the contract for sale. Buyer agrees that Buyer shall, upon request, defend or assist in the defense, at Seller's sole option and at Buyer's expense, any such suit or claim.*

**15. PURCHASE ORDER:** *Any purchase order pertaining to an order or Quotation which contains different quantities, prices, specifications, or delivery dates shall not result in a contract until it is superseded by Seller's Order Acknowledgement or otherwise accepted by Seller in writing at its office in Leavenworth, Kansas. Any additional or different terms or conditions in the Purchase Order will constitute proposals for additions or changes and shall not become a part of the contract of sale unless expressly agreed to in writing by the Seller.*

**16. SANCTIONS:** *The Buyer warrants that it shall not sell, export or re-export, directly or indirectly, to Russia or for use in Russia, any Products provided by Seller under or in connection with this Agreement that fall under the scope of Article 12g of Council Regulation (EU) No 833/2014 (as amended) or any other subsequent Council Regulation. The Buyer also agrees to take the measures necessary to prevent any of its business partners or customers from doing the same. In the event of a breach of this obligation, Seller shall be entitled to claim compensation for any loss or damage suffered as a result of such violation and has the full right to suspend and/or terminate this Agreement (including any orders placed under this Agreement).*

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*If this proposal provides for, or requires, engineering and design services by Heatron, any resulting product designs remain the property of Heatron and cannot be used by any other person without the written consent of Heatron. Heatron Inc.'s Terms and Conditions of Sale are provided with this Proposal.*