

TERMS AND CONDITIONS OF SALE

Prem Magnetics, Inc. (Seller) desires to provide its customers with prompt and efficient service. However, to negotiate individually the terms and conditions of each contract would substantially impair our ability to provide such service. Accordingly, goods furnished by Prem Magnetics are sold only on the terms and conditions stated herein. Notwithstanding any terms or conditions of Buyer's order, any sale by Prem Magnetics to a customer is expressly made conditional on customer's agreement to Prem Magnetics' Terms and Conditions of Sale.

ORDERS: All orders are subject to acceptance or rejection by Prem Magnetics. No order or contracts shall be deemed accepted unless and until such acceptance is made in writing by Prem Magnetics. Prem acknowledges no obligation to provide items previously purchased, or to continue to supply obsolete items.

PRICES: Prices, quotations, specifications, other terms, and all statements appearing in Prem's brochures, advertisements, and otherwise made by Prem are subject to change without notice. Where applicable unless otherwise specifically provided in writing, the prices quoted are based upon manufacture of the quantity and types originally specified and are subject to revision when interruptions or engineering changes are caused or requested by customer. We are not responsible for typographical errors or for stenographic or clerical errors made in preparation of quotations. All such errors are subject to correction. Due to fluctuation in raw materials, prices quoted are valid for a period of thirty days.

DELIVERY: The delivery date is our best estimate of the time product will be shipped from our factory and we assume no liability for loss, damage, or consequential damages due to delays. Prem assumes no liability for delays or defaults on delivery of goods. We reserve the right to ship plus or minus 5% of the total amount ordered, unless otherwise specifically acknowledged by the Prem Sales office. We reserve the right to ship 2 weeks ahead of scheduled ship date.

In the event of cancellation, rescheduling, or termination, the customer assumes liability for all work done and material procured and will reimburse Prem for its costs, liabilities, expenses and charges (including a reasonable profit thereon) incurred in good faith prior to or by reason of such termination.

BACKBILLING: Prices acknowledged are based upon the quantity ordered. Failure to take specified quantity within a one-year shipping window will result in backbilling for the units taken at the price break of the quantity actually received.

TERMS OF PAYMENTS: On accepted orders, terms are thirty (30) days from the date of invoice unless otherwise specified by Prem Magnetics in writing. In the event that payment is not received within such thirty day period, any unpaid balance shall commence to bear interest at the rate of 15% per annum from the 31st day after invoice.

Prem Magnetics may at any time, when in its opinion the financial condition of the customer warrants, either alter or suspend credit. Each shipment shall be considered a separate and independent transaction and payment therefore shall be made accordingly. Delays in transportation shall not extend terms of payment.

If collection becomes necessary, the customer shall pay all cancellation charges, backbilling fees, collection costs, interest, court costs, reasonable attorney fees, and other costs necessary to collect the moneys owed.

SHIPMENTS: All shipments are made F.O.B. plant and boxing and packing for domestic shipment are included in the quoted price. When special domestic or export packaging is specified involving greater expense than that customarily supplied, a charge may be made to cover such expense. When ordering, state clearly method of shipment. Unless otherwise specified, we will normally use the best, least expensive surface transportation. Reasonable care is exercised in packing our products for shipment and we assume no responsibility for delay, breakage, or damage after having made delivery in good order to carrier. All claims for breakage and damage should be made to carrier, but we will be glad to render assistance in securing satisfactory adjustment of such claims. No claims for shortages will be allowed unless made within 5 days following receipt of shipment.

SAFETY AGENCY APPROVALS: If product specifications require approval by a safety organization or agency (such as UL/CSA/VDE/TUV/BSI) and such formal approval has not been received, customer assumes responsibility for parts so purchased.

REFUSED SHIPMENTS: When materials are returned to us because the buyer refused to accept shipment, Prem will process an invoice to cover inbound and outbound freight charges plus a handling charge equal to twenty percent (20%) of the invoiced value of the materials.

WARRANTY: We guarantee to correct, by repair or replacement, at our option, any defects of material and workmanship that develop under normal and proper use within one year after date of shipment, when our inspection approves the claim. All such material must be returned to us transportation charges prepaid. We will not assume any expense or liability for repairs made outside our plant without our written consent.

Any liability of Seller resulting from defect in workmanship or material in the product covered by this document shall be limited to and fully discharged by replacement of such item without charge or at Prem's option the issuance of credit of purchase price. The warranty provided in this clause is in lieu of all other warranties, express or implied, arising by law or otherwise, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, and shall not be modified except by agreement signed by both parties specifically referencing this clause. In no event shall Prem be liable for consequential damages.

Before using, user shall determine the suitability of the product for his intended use. User assumes all risk and liability whatsoever in connection therewith.

CLAIMS AND REJECTED MATERIAL: The Buyer assumes full responsibility for the inspection of all shipments when received. No products may be returned without our permission in writing, except with prior arrangement. After receiving factory authorization, material requiring repair or replacement should be sent prepaid to the factory accompanied by a purchase order or letter stating as completely as possible the defects and the conditions under which it occurred. A Return Merchandise Authorization number (RMA) is good for thirty days (30) after it is issued.

SPECIFICATIONS: Where an order is based on sample approval, such sample's functional characteristics and properties shall take precedence over other forms of specification for product to be shipped under that order. Prem reserves the right to make changes that do not alter electrical or mechanical functions except if specifically restricted by prior agreement.

CATALOG SPECIFICATIONS: All specifications listed in our catalogs or on other data sheets are based on our knowledge and understanding of the products as of the time of printing of the literature. We reserve the right to make changes to technical specifications without notice. All product recommendations are based on our knowledge and experience with the products, but do not eliminate customer's responsibility to check the suitability of our products for each particular application.

TAXES: The amount of tax or other governmental charges upon the production, sale, and/or shipment of goods sold hereunder, now imposed by any governmental authority or hereafter becoming effective shall be added to the prices herein provided and shall be paid by the buyer.

ENTIRE AGREEMENT - *There are no provisions with respect to this acknowledgment that are not specified herein. Only Prem Magnetics' Terms and Conditions of Sale shall apply in all instances. Customers ordering Prem products are explicitly accepting these Terms and Conditions of Sale as the only terms and conditions applying to their order. No customer-initiated modification of these Terms and Conditions are accepted or shall apply except if specifically acknowledged in writing by an officer of Prem Magnetics and bearing the corporate seal. Acceptance of any product against an order specifically implies acceptance of these conditions of sale.*