

Delmaco Manufacturing, Inc.

Terms And Conditions Of Sale

The following terms and conditions shall constitute a part of each accepted order or contract between Buyer and **Delmaco Manufacturing, Inc.** (hereafter called "Seller"):

1. **PRICE:** Stenographical and clerical errors in quotations are subject to correction. All quotations, unless otherwise stated, are for immediate action and all prices quoted therein are subject to change without notice. All purchase orders and contracts resulting from such quotation are subject to Seller's acceptance at its **Georgetown, Delaware** office.
2. **CREDIT:** Accounts will be opened only with firms or individuals with approved credit. The Seller reserves the privilege of declining to make deliveries except for cash in advance whenever, for any reason, doubt as to the Buyer's responsibility develops.
3. **CANCELLATION OR DEFERRED DELIVERY:** If Buyer cancels any order or contract or defers the delivery date of any order or contract, he shall be liable for the following: (a) Work completed at full unit price; (b) Work in process at cost of completed operations plus overhead and percentage of profit attributable thereto; (c) Raw material and purchased parts at cost to Seller plus Seller's handling charge; (d) Unamortized tooling on the basis of balance due Seller; and (e) Any other expenses or charges including engineering and overhead charges, incurred by Seller in connection with the performance of the contract, up to date of cancellation.
4. **QUANTITY:** Buyer agrees to accept an underrun or overrun on each individual item ordered, not exceeding 10% of quantity ordered, unless special arrangements are made by Buyer and accepted by Seller.
5. **DELIVERY:** The Seller will make every reasonable effort to execute shipments in accordance with the specified delivery schedule, but does not assume any liability for any damages growing out of, or owing to any delays whatever, in fulfilling delivery schedule.
6. **TOLERANCES:** Unless dimensions are limited by a specific tolerance, it is understood that the production variation as published by the Seller will be acceptable. General title block tolerances on blueprints shall not apply to spring wire products unless agreed to in writing by the Seller.
7. **REJECTIONS:** While the Seller will make every effort to supply a quality product, Buyer shall assume full responsibility for the inspection of all parts when received. Parts not in accordance with the agreed upon specification must be returned to Seller within 60 days after delivery to Buyer. Upon verification by the Seller of non-conformance to specification of said returned parts, Seller may replace same, or at Seller's option, credit in lieu thereof shall be issued. Seller's liability for products not conforming to specification shall be limited to the sales price of such products, and Seller shall not be liable for any expense or damage to Buyer resulting from the condition or use of such products.
8. **CERTIFICATION:** A standard Certificate of Conformance will be issued upon request at no charge if requested on P.O. There may be a charge for other reports or certifications and they may not be available if not requested on the P.O.
9. **CLAIMS FOR SHORTAGES OR DAMAGED GOODS:** Claims for shortages must be submitted in writing within 30 days from receipt of goods. Claims for damages or loss in transportation must be settled between the consignee and the carrier. The term "**F.O.B. Georgetown, DE**" means that **Delmaco Manufacturing, Inc.** responsibility ceases when we have obtained signed manifests from the carrier. We will do everything within reason to provide the consignee with assistance and information necessary to trace shipment or process claim with carrier.
10. **SPECIAL TOOLING:** Where special tools, dies or fixtures are required to fabricate a part, a tooling charge will be made. All such tools remain the property of the Seller and the Buyer acquires no right to remove such tooling from the Seller's property unless otherwise agreed in writing. However, such special tools in the Seller's possession are for the exclusive use of the Buyer who paid the tool cost.
Such tooling will be stored and maintained at Seller's expense so long as the part remains active, but special tooling inactive for a period exceeding three years may, at the option of the Seller, be scrapped upon notification of intent to Buyer and upon failure to receive advice to the contrary within 30 days.
Any resulting scrap value of such tooling shall belong to the Seller as payment in full for storage and maintenance costs. Special tooling will be insured by Seller against losses due to fire. The Buyer shall become liable for the cost of special tooling when the Seller has submitted satisfactory samples or has completed a shipment of parts in lieu of samples.
11. **SAMPLES:** Following completion of special tooling pre-production samples will be submitted only if requested by the Buyer, or if deemed necessary by the Seller. Pilot lots requiring a machine set-up shall be paid for by Buyer at Seller's "Set-Up Charge" rate.
12. **PLATING:** Parts made of high carbon spring steels require special processing to avoid hydrogen embrittlement. Only when the plating is performed by the Seller can the aforementioned parts be guaranteed against hydrogen embrittlement.
13. **GENERAL:** Recommendation as to design, use and suitability made by Seller are submitted in good faith, however, Buyer shall assume final responsibility for accepting and using any such recommendations. Seller makes no warranty, either expressed or implied, with respect to the suitability of the Seller's product in the Buyer's final application of same. The Buyer shall indemnify the Seller against liability for patent infringement in case of goods manufactured to specifications supplied by the Buyer. Seller assumes no responsibility for any claim for patent infringement.
14. **TAXES:** State or local taxes, if applicable, are not included in the price quoted. These taxes will be added to the invoice unless an exemption certificate is furnished.

