

Precision Engineering Components & Systems

TERMS AND CONDITIONS OF SALE

- 1. APPLICABLE TERMS AND CONDITIONS:** The acknowledgment of this order by PEC & Systems LLC, herein after referred to as the seller, or commencement of any performance by the seller pursuant to this order shall constitute buyer's acceptance of the seller's terms and conditions and the prices set forth herein and this order is expressly conditioned upon the applicability of seller's terms and conditions exclusively. No terms or conditions stated by the buyer shall be binding on the seller unless such terms or conditions are expressly accepted in writing by the seller. The failure of the seller to specifically object to any or all the terms and conditions set forth herein by the buyer, upon the acknowledgment of the quotation or upon seller's commencement of performance hereunder, shall be deemed to have withdrawn any such terms and conditions that conflict with, are inconsistent with, or are in addition to the terms and conditions set forth herein. The terms and conditions in this document supersede all prior oral or written quotations, proposals and communications between the buyer and seller related to the products and services identified herein.
- 2. CHANGES:** The buyer may, at any time, in writing, make changes within the general scope of this order in the drawings, designs, specifications, shipping or packing instructions of place or delivery. If any such changes cause an increase or decrease in the cost of or the time required for performance of any such purchase order affected by such change an equitable adjustment in the price, the delivery schedule or both shall be made and such order shall be modified accordingly.
- 3. WARRANTY:**
 - A.** Seller warrants that each new product sold hereunder will conform to specifications agreed upon in writing by both parties. It is the responsibility of the buyer to validate seller product to suit its own system application requirements and application environment at buyer's site. Seller's sole obligation and liability under this warranty is limited to the repair or replacement at its factory, at seller's option, of any such product which proves to be noncompliant with specifications within 1 year after the date of delivery to buyer, and is confirmed to be noncompliant by seller's inspection.
 - B.** Buyer shall inspect and accept any products delivered, immediately after buyer takes custody of such products. In the event the products do not meet the specifications or drawings, buyer shall notify seller in writing of such non-compliance and give seller a reasonable opportunity to correct the noncompliance. Seller shall not be obligated or liable under this warranty for apparent defects or defects which examination discloses are due to tampering, misuse, neglect, improper storage or handling, normal wear and all cases where the products are disassembled by other than authorized seller representatives. Buyer shall follow instructions of operation, and shall be aware that some materials are sensitive to contamination of chemicals in field applications, seller shall not be obligated or liable under the warranty which are caused by chemicals introduced from customer processes and applications. In addition, seller shall not be obligated or liable under this warranty unless written notice of noncompliance shall be given to seller within thirty (30) days from the date such defects are first discovered.
 - C.** Products for warranty consideration shall be returned with all transportation charges prepaid to seller in shipping containers which are adequate to prevent loss or damage in shipment. Products repaired or replaced under this warranty are warranted for the unexpired portion of the original warranty, or an additional six months, whichever is longer.
 - D.** Products returned to seller for repair under this warranty remain the property of buyer and, unless agreed to by seller. Buyer will not debit seller for the product value.
 - E.** Seller's liability for all claims, whether based on breach of contract, negligence, product liability, or otherwise, relating to the products shall not exceed the price paid by Seller for such defective product in the 12 months period preceding the event which gives rise to such claim. In no event will seller be liable for any special, incidental or consequential damages (including without limitation, loss of use, loss of profit and claims of third parties), however clause, whether by the negligence of seller or otherwise.
 - F.** Buyers are solely responsible for confirming that all products purchased under this agreement are installed and used in accordance with all applicable codes and regulations. This warranty is null and void in the event product application changed without engineering test validation and seller's installation guidelines, if any, are not adhered to.
- 4. SHIPMENT:** Shipment generally will be accomplished Ex Works seller's manufacturing plants or FOB Hong Kong terms. Notwithstanding this, if seller prepays the transportation charges, buyer will be obligated to reimburse seller upon receipt of invoice for the prepaid transportation charges. Any special or abnormal packaging required will be included in the unit price of the item to be delivered or as a separate line item.
- 5. DELIVERY:** Delivery will be accomplished within the time specified on the face of this quotation or if no time is specified within the normal lead time necessary for the seller to deliver the products in question. Anything to the contrary notwithstanding, the seller shall not be liable for any reasonable delay in production or delivery. In the event a delay in production or delivery occurs beyond a reasonable period of time, which delay is occasioned by fire, strikes, civil or military authority, war, hostility, riots, government action, energy crises, pandemic diseases, the failure of seller's suppliers to make timely delivery of material or components, or where such delay is occasioned by other causes beyond the control of the seller or without its fault or negligence, then the date or dates for delivery of the equipment shall be extended for a period equal to the time lost by reason of any such delay.
- 6. PAYMENTS:** Unless otherwise specified herein, terms of payment are default as cash in advance or cash before delivery. In the event payments are not made in a timely manner seller may either (1) declare buyer's performance in breach and terminate any order resulting from this quotation, for default; (2) withhold future shipment under any order resulting from this quotation until delinquent payments are made.
- 7. INSPECTION:** In the event the products herein are subject to source inspection requirements, the products must be inspected within 48 hours of seller's notification to buyer. If inspection does not occur within 48 hours, the products will be deemed to have been accepted by buyer. In the event the products do not meet the drawings, designs and/or specifications, the buyer shall notify the seller of such noncompliance in writing and give the seller a reasonable opportunity to correct any such noncompliance. The buyers shall be deemed to have accepted any product delivered hereunder and to have waived any such noncompliance in the event a written notification that the products delivered hereunder do not comply with the drawings, designs and or specifications, is not received by the seller within fifteen days after the buyer takes custody of the products delivered hereunder.
- 8. TAXES:** Unless otherwise specifically designated on the face page of this quotation, the prices quoted herein do not include sums necessary to cover any taxes or duties including but not limited to countries, federal, state, municipal excise, sales or use taxes or import duties upon the production, sale, distribution, or delivery of equipment or furnishing of services hereunder. Any taxes or duties that are due and owing hereunder shall be paid by the buyer. Accordingly, seller reserves the right to revise its quotation after the execution of this contract between the parties to include any and all taxes or duties that may become due hereunder and seller may invoice buyer for said additional amount. This clause shall survive the acceptance and complete performance of any purchase order resulting from this quotation by the parties herein.
- 9. QUOTATION AND PRICE ADJUSTMENTS:** Seller reserves the right to adjust selling prices if costs of materials (i.e. copper or materials in BOM) goes up 5% and above.
- 10. FORCE MAJEURE:** Seller shall not be liable for delays in or failure of performance hereunder due to causes beyond its reasonable control, including, but not limited to, acts of God or public enemy, acts of government in either its sovereign or contractual capacity, acts of buyer, fire, flood, earthquake or other natural disaster, pandemic diseases, strike or other labor disputes, acts of war, sabotage, insurrection rebellion, or other acts of civil disobedience, failure of subcontractor to supply material, failure to delay in transportation, or equipment breakdown, nor shall seller be liable for any reasonable delay in production or delivery. In the event of delay due to such causes, the date of delivery shall be extended for a period equal to the time lost by reason of the delay.
- 11. APPLICABLE LAW:** This order (and/or quote) is subject to the laws and regulations applicable in Hong Kong. This agreement is governed by the law of Hong Kong, without regard to conflict of law principles or any other principles that would result in the application of a different body of law. Venue for any legal action in connection to this agreement shall be in the courts located in Hong Kong and each party hereby irrevocably consents to the jurisdiction of such courts.
- 12. NON-CANCELLABLE AND NON-RETURNABLE:** Unless otherwise expressly agreed to in writing by seller, all items purchased shall be considered Non-cancellable and Non-returnable (NCNR).