



## **Standard Terms and Conditions of Sale or Quote**

### **ACCEPTANCE**

The Purchase Order constitutes a binding contract upon the terms and conditions herein (the "Terms") when accepted by the Buyer, either by acknowledgement or by commencement of Purchase Order. These Terms prevail over any of Buyer's writings, quotations, proposals, and/or general terms and conditions of purchase regardless whether or when Buyer has submitted its purchase order or such terms. Fulfillment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions and does not serve to modify or amend these Terms. Unless expressly accepted in writing by Seller and Buyer, additional or differing terms or conditions proposed by Buyer or included in Buyer's acknowledgement are objected to by Seller and have no effect.

### **CANCELLATION AND ADD ONS**

Seller must consent to cancellation or modifications of orders in writing. In the event Seller consents to such cancellation or modification, Buyer shall pay Seller all of Seller's costs incurred or committed by Seller as well as effort expended by Seller up to the effective date of such modification or cancellation with respect to such order, including costs and profit on raw materials, supplies, work in progress and finished products. Seller also reserves the right to consider all order add-ons as separate and new orders and therefore subject to all new terms and conditions. Stop Work issued by Buyer which exceed six (6) months shall be deemed a cancellation and subject to this Paragraph. Seller may, in its sole discretion, without liability or penalty, make partial shipments of Products to Buyer, including partial shipments of add-ons. Each shipment will constitute a separate sale, and Buyer shall pay for the Products shipped whether such shipment is in whole or partial fulfillment of Buyer's order.

### **DEFINITIONS**

"Buyer" means the legal entity issuing an order to which these terms and conditions are attached or referenced therein.

"Goods" means the products manufactured or sold by Seller defined in the Purchase Order.

"Purchase Order" means the offer by Buyer for the purchase of Goods and Services from Seller specified in the scope of work on the purchase order addressed to Seller and attached to these

Terms and sometimes referred to herein as the "order".

"Seller" means Winding's Inc., the legal entity providing goods and/or services or otherwise performing work pursuant to this order.

"Services" means work and performance by Windings for customer as expressly defined in the Purchase Order.

"Specifications" means Buyer's specific criteria to which the Goods will be manufactured in accordance with, and such criteria has been supplied to Seller.

### **DELIVERY**

Delivery shall be strictly in accordance with the confirmed quantities and schedule. In the event of any anticipated or actual delay, Seller will immediately inform Buyer of reasons for delay and an action plan to overcome or minimize the delay will be put into place. Seller assumes no liability for additional cost or damages resulting from late deliveries.

### **PRODUCT REQUIREMENTS**

Seller has no knowledge nor makes any claim concerning the function of assembly at buyer location. It is the duty of the Buyer, through physical inspection and/or witnessing said assembly process, to confirm that the assembly meets all requirements on print. These requirements are the electrical and physical measurements and characteristics of the standalone assembly. In some cases, it may be necessary for Buyer to supply additional components or equipment to Seller to confirm specific requirements on drawings, prints, or other supplied requirements.

### **PACKAGING, SHIPMENT AND DECLARATION OF ORIGIN**

Unless otherwise specified, items will be suitably packed for their protection during transport and shipped via the lowest cost means that are otherwise appropriate for the item in accordance with the requirements of common carriers. Seller will be responsible for contacting Buyer to resolve any questions regarding proper packaging of shipment under this order.

All finished goods are FOB Origin and any damage, loss, or storage claims upon receipt by buyer must be made to the carrier. Seller will not be liable in any manner for damages or loss to a shipment by a common carrier. Shortage of material claims must be submitted in writing to Seller within Thirty (30) days of invoice date and buyer shall be required to make timely payments



to Seller of any amount which is undisputed or not part of claim to common carrier.

### **INVOICING AND PAYMENT**

Seller will issue invoice on same day as shipping occurs. Seller will forward to Buyer, with the invoice, receipt or Bill of Lading signed by carrier, evidencing the shipment has been made. Unless otherwise specified, prices include all applicable federal, state and local taxes, duties, tariffs and similar fees imposed by any government. Payment of invoices will be made within (30) days or otherwise specified on quote.

### **WARRANTY AND REPAIRS**

1. Seller represents and warrants that the Goods will be manufactured in accordance with the Specifications. THIS IS THE SOLE AND EXCLUSIVE WARRANTY GIVEN BY SELLER WITH RESPECT TO THE GOODS AND IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WHETHER OR NOT THE PURPOSE OR USE HAS BEEN DISCLOSED TO SELLER IN SPECIFICATIONS, DRAWINGS OR OTHERWISE, AND WHETHER OR NOT SELLER'S PRODUCTS ARE SPECIFICALLY DESIGNED AND/OR MANUFACTURED BY SELLER FOR BUYER'S USE OR PURPOSE. This warranty does not extend to any losses or damages due to misuse, accident, abuse, neglect, normal wear and tear, unauthorized modification or alteration, use beyond rated capacity, or improper installation, maintenance or application. Seller's warranties shall expire one (1) year from the date of Seller's shipment of the Goods.

2. If within thirty (30) days after Buyer's discovery of any warranty defects within the warranty period, Buyer notifies Seller thereof in writing, Seller shall, at its option, repair or replace F.O.B. point of manufacture, or refund the purchase price for, that portion of the goods found by Seller to be defective. Goods repaired or replaced during the warranty period shall be covered by the foregoing warranty for the remainder of the original warranty period or ninety (90) days, whichever is longer. Buyer assumes all other responsibility for any loss, damage, or injury to persons or property arising out of, connected with, or resulting from the use of Goods, either alone or in combination with other products/components.

3. An RMA number is required before returning any units. Please contact your Customer Service

representative to obtain an RMA number and initiate return process. Return shipments without this authorization from Seller will not be accepted at Seller's plant; all returns must be prepaid freight by Buyer. Seller's Quality Control Department will determine the acceptability of the returned material and will only issue credit after disposition.

### **LIMITATION OF REMEDY AND LIABILITY**

The sole and exclusive remedy for seller's breach of any warranty hereunder shall be limited to repair, replacement or refund of the purchase price. Seller shall not be liable for damages caused by delay in performance and in no event, regardless of the form of the claim or cause of action (whether based in contract, infringement, negligence, strict liability, other tort or otherwise), shall seller's liability to buyer and/or its customers exceed the price to buyer of the specific goods provided by seller giving rise to the claim or cause of action. BUYER AGREES THAT IN NO EVENT SHALL SELLER'S LIABILITY TO BUYER AND/OR ITS CUSTOMERS EXTEND TO INCLUDE INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. THE TERM "CONSEQUENTIAL DAMAGES" SHALL INCLUDE, BUT NOT BE LIMITED TO, LOSS OF ANTICIPATED PROFITS, LOSS OF USE, LOSS OF REVENUE, COST OF CAPITAL AND DAMAGE OR LOSS OF OTHER PROPERTY OR EQUIPMENT.

### **CONTROL OF DRAWING CHANGES**

The Buyer's quality system shall provide for procedures that will assure the latest applicable drawings, specifications and instructions required by the order, as well as authorized changes thereto, are used for fabrication, inspection and testing.

### **STOP WORK**

In case of stop work, Seller shall be entitled to its costs already incurred in material and labor for the work canceled, plus a reasonable profit on such costs. Stop work exceeding 6 months will be considered a canceled order.

### **CUSTOMER SUPPLIED MATERIALS**

1. Buyers that supply materials for the assembly of their parts at Windings Inc. or their customer approved sub-contractors MUST provide Seller a copy of a SIGNED Affidavit for the manufacturer of the customer supplied materials, in which is clearly specified the Country of Origin of the goods. The affidavit must be signed by a highly ranked employee of the company (Manager level and up).



2. **CUSTOMER DELAY:** If customer fails to provide Windings Inc. or their customer approved sub-contractor with Customer Supplied Material (CSM) in time to meet the customer due date, Windings Inc. or their customer approved sub-contractor shall not be held responsible for meeting original customer due date and will attempt to reschedule the ship date to a date that is mutually acceptable. CSM that is deemed to be non-conforming (damaged) or not to print by Windings Inc., shall be returned to customer's supplier for repair or replacement. The customer is responsible for amending their Purchase Order to reflect the revised ship date.

### **INACTIVITY OF CUSTOMER PROPERTY**

Tooling and CSM inactive for more than 12 months will be placed in storage. If tooling has been in storage for more than 2 years (3 years total inactivity)/CSM 5 years (6 years total inactivity), Seller will contact Buyer (via email to customer buyer) seeking return ship address or authorization to scrap. Failure to reply or reply timely will result in tooling being scrapped and CSM being returned to buyer. All Buyer supplied Intellectual Property (IP) will be stored for a minimum of 7 years after completion of project. IP will be shredded and burned by Seller after 7 years of project inactivity.

### **FORCE MAJEURE**

Neither Buyer nor Seller shall be deemed in default of this agreement or any order to the extent that any delay or failure in the performance of its obligations results from any cause beyond its reasonable control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, riots, fires, explosions, or natural disasters.

### **DISPUTES**

The parties shall attempt to resolve any dispute that arises under this contract through negotiation and mutual agreement. Any dispute not resolved by such process may be pursued in an action at law deemed by the Seller.

### **EXPORT CONTROL REGULATIONS**

a) The goods and services provided under this order may be subject to the requirements of the Arms Export Control Act of 1976 (22 U.S.C. § 2751-2794), including the International Traffic in Arms Regulation (ITAR), 22 C.F.R 120-128 and 130; and the Export Administration Act of 1979,

(50 U.S.C. 2401-2420) and the Export Administration Regulations (15 C.F.R. 730-744). The Seller and Buyer acknowledge that these statutes and regulations impose restrictions on import, export and transfer to third countries of certain categories of goods and data. Licenses from the U.S. Department of State and/or U.S. Department of Commerce may be required before such goods and data can be provided hereunder. Such licenses may impose further restrictions on use of such goods and data.

b) Buyer agrees to notify Seller if any deliverable under this contract is restricted by export control laws and regulations.

c) Buyer will immediately notify Seller if Buyer is, or becomes, listed in any denied parties list or if Buyer's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency

d) If Buyer is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles, Buyer will represent that it is registered with the Office of Defense Trade Controls, as required by ITAR.