



Ceramic Magnetics, Inc.

A NATIONAL MAGNETICS GROUP COMPANY

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TERMS AND CONDITIONS

- PRICES:** Seller reserves the right to increase listed prices to prices in effect at time shipment.
- PAYMENT:** Payment terms are net 30 days from date of invoice. Buyer will be liable for all costs incurred by Seller due to non-payment of invoices, i.e. collection fees, attorney's fees, court costs and cost of all manufacturing in process.

SELLER WARRANTS TO BUYER THAT GOODS AND SERVICES SOLD FOR USE (EXCEPT WHEN USED PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSE(S)) HEREUNDER WILL BE FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP WHICH APPEAR WITHIN NINETY (90) DAYS OF THE DATE OF SHIPMENT, PROVIDED THAT BUYER NOTIFIES SELLER IN WRITING OF THE DEFECTS COVERED BY THIS WARRANTY WITHIN THIRTY (30) DAYS OF THEIR FIRST APPEARANCE. SELLER'S OBLIGATION IS LIMITED, AT ITS OPTION, TO REPAIR OR REPLACE GOODS WHICH ARE PROVEN TO BE DEFECTIVE.

THIS FOREGOING WARRANTIES AND REMEDIES ARE EXCLUSIVE, AND THERE ARE NO OTHER WARRANTIES, ORAL OR WRITTEN, EXPRESS OR IMPLIED WITH RESPECT TO ANY GOODS OR SERVICES SOLD HEREUNDER, WHETHER AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER MATTER. AFTER EXPIRATION OF THE WARRANTY PERIOD, ALL LIABILITY TO BUYER CEASES: SEE "LIMITATIONS OF LIABILITY" BELOW.

- 1) **CREDIT:** If Seller in its sole discretion does not approve Buyer's credit, Seller reserves the right to cancel the entire agreement or to cancel any shipment thereof.
- 2) **TAXES:** Prices listed do not include taxes. The gross amount of any sales, property, excise, use, value-added or other similar tax applicable to the price, sale or delivery of any goods or services furnished hereunder, or to their use by Seller or Buyer, will be paid directly by the Buyer.
- 3) **SHIPMENT AND DELIVERY:** All shipments will be F.O.B. shipping point. All shipments are insured against loss or damage unless so requested in writing by Buyer. Delivery dates are approximate and are not a guarantee of a particular day of delivery. If shipments are postponed more than 30 days due to the request or fault of the Buyer, Seller will store goods at Buyer's risk and expense.
- 4) **OVER/UNDER SHIPMENT:** The contract quantity for each line item will be satisfied when the quantity shipped is within plus or minus ten percent (+/- 10%) of the actual order quantity. The quantity billed will be the actual quantity shipped.
- 5) **DELAY/NON-PERFORMANCE:** Seller will not be liable for failure to perform due to any causes beyond Seller's control. Seller will promptly notify Buyer of any material delay and will specify a revised performance date as soon as practicable. In the event of such delay, this agreement will not be terminated and the date of the performance will be extended for a reasonable period of time equal to the period of delay.
- 6) **LIMITATIONS OF LIABILITY:**
 - A. SELLER WILL NOT UNDER ANY CIRCUMSTANCES, WHETHER AS A RESULT OF BREACH OF CONTRACT, BREACH OF WARRANTY, TORT OR OTHERWISE, BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR EXEMPLARY DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUES, LOSS OF USE DUE TO OF DAMAGE TO ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE PRODUCTS, FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF BUYER'S CUSTOMERS.
 - B. SELLER'S LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF, RESULTING FROM, OR CONCERNING ANY ASPECT OF THIS AGREEMENT OR FROM THE GOODS OR SERVICES FURNISHED HEREUNDER, SHALL NOT EXCEED THE PRICE OF THE SPECIFIC PRODUCT OR SHIPMENT WHICH GIVES RISE TO THE CLAIM.
 - C. Seller will not be subjected to any liability, whether in contract, warranty, tort, or otherwise, on any claim for loss of damage concerning products, parts, advice, assistance or service which Seller furnished to Buyer as a business courtesy, but are not required hereunder.
 - D. The warranties and remedies set forth herein do not apply to goods which have been misused, inadequately maintained or stored, or incorrectly or negligently installed or serviced.

- 7) **RETURNS:** Goods will not be accepted on return unless prior written authorization has been received from Seller. Unless otherwise specified in writing, all returns must be made to factory of origin.
- 8) **MODIFICATION OF CONTRACT:** No assignment, modification, amendment, rescission, waiver or other alteration or change will bind Seller unless agreed to in writing.
- 9) **CHOICE OF LAW:** The validity, performance and all matters relating to the interpretation and effect of this agreement, any amendments hereto, or modifications hereof, will be governed by the substantive laws (but not the conflict of laws) of the State of New Jersey.
- 10) **COMPLETE CONTRACT:** This document contains the entire understanding and agreement of the parties concerning the purchase and sale of the items listed on the front.