

# TERMS AND CONDITIONS OF SALE



Customer and LiConn, Inc. ("LiConn") agree that purchase and sales of LiConn products ("the Products") shall constitute acceptance of these terms and conditions. LiConn shall not be bound by customer's additional or different terms unless LiConn accepts such terms or conditions in writing. "Specification" means technical information about Products published by LiConn and in effect on the date LiConn ships the order.

## 1. SALE AND DELIVERY

- (1) QUOTE: All Quotes shall expire forty-five (45) days from the date of issuance unless otherwise set forth on the quotation or agreed in writing.
- (2) ORDER ACCEPTANCE: All orders are subject to acceptance by LiConn. Prices exclude any applicable sales, value added or similar tax payable by Customer, unless Customer has provided LiConn with an appropriate exemption certificate for the delivery destination acceptable to the applicable taxing authorities.
- (3) PRICE: Prices include handling charges. Products shall be delivered EXW, LiConn, Inc., 4538 Snelling Avenue N, Arden Hills, MN 55112, USA. Title to the goods shall pass to customer at time LiConn delivers the goods to a common carrier for shipment to the address set forth on the sales order.

If the Products are sold to a Customer outside of the United States, Customer shall pay all freight charges, applicable import duties, and other necessary fees and shall bear the risk of carrying out customs formalities and clearance. Orders are entered as close as possible to the Customer's requested shipment date, if any. Shipment dates are scheduled after acceptance of orders and receipt of necessary documents. Claims for shipment shortage shall be deemed waived unless presented to LiConn in writing with forty-five (45) days of shipment.

- (4) DELIVERY: LiConn shall make every reasonable effort to deliver the Products within the time specified on the sales order. For anything to the contrary notwithstanding, LiConn shall not be liable for any reasonable delay in product or delivery. In the event a delay in production or delivery occurs beyond reasonable control of LiConn, including but not limited to acts of government, natural catastrophes, act of Customer, interruptions of transportation or inability to obtain necessary labor or materials, the date of delivery of the Product shall be extended for a period equal to the time lost by reason of any such delay.
- (5) DELAY OR CANCELLATION: In the event that Customer desires to cancel this Agreement or delay production or delivery of the goods, it shall give eight (8) weeks written notice thereof to LiConn, Inc. Such rescheduled shipments must be within sixty (60) days of the original scheduled ship date, and remain within the original contract period. LiConn, Inc. reserves the right to approve any such request for delay or cancellation pending agreement on reimbursement of the costs attributable to the delay or cancellation. All additional costs to LiConn, Inc. resulting from any such action by Customer, including but not limited to additional cost in materials, labor, overhead and engineering, will be paid by Customer.

In the event that the goods are standard goods normally carried as stocks in trade by LiConn, Inc., Customer shall pay any additional restocking costs incurred by LiConn, Inc. resulting from any such action by Customer.

In the event of the Customer delays production or delivery of the goods, the Customer shall pay to LiConn, Inc. the carrying costs incurred by LiConn, Inc. for the period the delay. Such carrying costs will include, but not be limited to, material handling costs, re-tooling charges, additional production set-up costs and interest carrying costs.

In the event of this Agreement is cancelled or if less than the total order quantity is shipped within the lesser of a twelve month period or the term of the order, the Customer shall pay, and LiConn, Inc. will bill the Customer for the quantity actually shipped, not at the unit price stated in the sales order, but at the appropriate price for the quantity actually shipped.

In the event this Agreement is cancelled the Customer shall pay a unique materials charge. This charge will include the price of all materials in stock and on order for the sales order. LiConn, Inc will make reasonable efforts to return and cancel all material for the sales order and reduce the unique materials charge accordingly.

- (6) PAYMENT TERMS: Payment Terms are stated in the quotation or acknowledge documentation, and are subject to change if Customer's financial condition or payment record merits such change. Customer shall pay all charges and expenses incurred in connection with the delivery, including without limitation, freight, taxes, insurance on goods and duties. Late payment charges of 3% per month or the maximum contractual rate permitted by law, whichever is less, may be assessed on all unpaid or past due invoice, plus all applicable inventory carrying and storage charges. Delinquent payments shall bear interest at the rate of eighteen percent (18%) per annum from the date that they first become delinquent until paid; provided, however, that in the event such interest rate exceed the highest rate permitted by applicable law, the interest rate shall be adjusted downward to such highest allowable rate. Customer agrees to pay to LiConn, Inc. any and all expenses or costs it incurs, including all reasonable attorneys fees, in collecting delinquent payments.
- (7) Customer Acceptance of the Product: Customer shall inspect and accept any products delivered in response to this quotation, immediately after Customer takes custody of the Products. In the event the Product does not meet Specification, design or drawings, Customer shall notify LiConn of such noncompliance in writing and give LiConn a reasonable opportunity to correct any such noncompliance.
- (8) Custom Products and Service: For products designed and manufactured in whole or in part to Buyer's Design, Specifications or instructions, Seller warrants only to Buyer that Custom Products when shipped to Buyer shall substantially conform to such Design, Specifications or instructions accepted in writing by Seller. Seller provides no representation, guarantee, condition or warranty, expressed, implied or statutory, with respect to: (i) the correctness or applicability of Buyer's Design, Specifications or instructions for Custom Products or (ii) the functionality or performance of Custom Products or any products derived from or using any Custom Products.

## 2. WARRANTY

- (1) LiConn warrants that the LiConn warrants that the each new product sold by LiConn are free from defects in material and are free from defects in material and workmanship under normal use and service at the time of shipment.
- (2) The obligation and liability of LiConn under this warranty is limited to repair and replacement at its factory, at the option of LiConn, of any such product, which proves defective within one year from the date of shipment, and is found to be defective in material and workmanship by authorized LiConn Representatives.
- (3) LiConn shall not be obligated or liable under the warranty for apparent defects which examination discloses are due to neglect, tampering, misuse, improper storage, normal wear and all cases where the products are disassembled by other than authorized LiConn Representatives.
- (4) The warranties in these terms are exclusive and no other warranty whether written or oral, is expressed or implied.

## 3. GENERAL

- (1) LiConn will not sell, rent or lease Customer's personal data to others.
- (2) Customer acknowledges reading this Terms and Conditions, understands them, and agrees to be bound by them.
- (3) Dispute arising in connection with these Terms will be governed by the laws of the State of Minnesota of USA.