

Converter Accessory Corporation

Terms and Conditions of Sale

- 1) **General** – By submitting a purchase order or otherwise ordering the buyer agrees to the terms and conditions of sale set forth herein. The terms and conditions of sale set forth herein supersede all other terms and conditions of sale. Any additional, contradictory or different terms in any form are hereby objected to by Converter Accessory Corporation (CAC) and shall not be binding. All representations, promises, warranties or statements by any agent or employee of CAC that differ in any way from the terms and conditions set forth herein shall be given no effect or force. Any additional, contradictory or different terms contained in communication from the buyer are hereby objected to and have no force or effect. No course of prior dealings will have any force or effect to the terms and conditions of sales set forth herein. All proposals, to be valid, must be signed by CAC at its offices in Wind Gap PA. No waiver or alteration of terms herein shall be binding unless in writing, signed by an executive officer of CAC.
All prices are FOB CAC's plant, unless otherwise specified in writing, signed by an executive officer of CAC. Prices stated are subject to change without notice in the event of any alterations mutually agreed to by the buyer and CAC. Prices stated are subject to change without notice due to any legislation enacted by any level of government including effected goods purchased by CAC. No discounts shall be allowed unless agreed to by CAC in writing and signed by an executive officer of CAC. A delinquency charge of 1.5% per month or 18% per annum on past due balances will be added until payment is made in full; provided that with respect to a non-corporate buyer, the delinquency charge shall be the maximum interest rate allowable by law in the commonwealth of Pennsylvania.
CAC reserves the right to correct clerical and stenographic errors at any time.
- 2) **Payment** – All price quoted are in US Dollars. Purchases up to \$5,000.00 will be billed 1% 10,net 30 days, subject to credit approval. Purchases over \$5,000.00 will be billed 60% deposit with the purchase order, 30% prior to shipment, balance 1% 10,net 30 days, subject to credit approval. Delivery may be delayed for credit check (see item 5 herein for more information about delivery). No adjustments to invoices will be accepted by CAC. The buyer will not submit payment for any amount different than is stated on CAC's invoice. CAC accepts cash, check, VISA®, MasterCard®, Discover®, American Express®, and ACH for payment.
- 3) **Penalty clause** - CAC shall not be bound by any penalty clause deemed for any reason included in any purchase order, contract or quotation or any other form of communication.
- 4) **Limited Warranty** – Products manufactured by CAC are covered by the equipment warranty contained within this document. No products shall be returned to CAC without CAC's prior written consent. Products which CAC consents to have returned must have a return authorization number, assigned by CAC prior to return, accompanying them. Shipment(s) of products which do not have accompanying return authorization number(s) will be refused. All costs associated with refused shipment(s) will be borne by the shipping party. All authorized (as previously described) return shipments will be FOB CAC's plant. CAC will not assume responsibility or accept invoices for unauthorized repairs to any goods even if defective. **Any unauthorized disassembly, repair or modification to any goods supplied from CAC will void all warranties.** The life of CAC's supplied goods depends, to a large extent, on the usage thereof and CAC makes no warranty as to the fitness of its goods for specific applications by the buyer nor as to the period of service unless CAC agrees otherwise, in writing, signed by an officer of CAC, after the proposed usage has been made known to CAC. CAC shall not be made liable for any damages resulting in any manner from the furnishing of the goods or for any expense incurred by the buyer due to use or sale of such goods. **The forgoing warranty is exclusive and in lieu of all other warranties expressed or implied, including but not limited to any warranty of merchantability or fitness for particular purpose.**
This warranty does not apply to special, experimental or developmental products.
All warranties by CAC will be void in the case that the buyer will modify, damage, or neglect maintenance of goods and CAC will not be held liable for performance and safety of equipment.
- 5) **Delivery** – Shipping dates set forth by CAC are estimated, based on conditions existing at the time the estimate is made. Estimated delivery dates are contingent upon the buyer promptly supplying all necessary information and required operating specifications to CAC. **Estimated delivery is not guaranteed** and CAC accepts no responsibility for any losses incurred by delays which may occur. Goods in stock will be shipped immediately and goods not in stock will be shipped as soon as they become available, unless otherwise mutually agreed upon, in writing between CAC and the buyer. CAC will not be liable for any damage, loss, fault or expenses arising out of delays in shipment. CAC will not be held liable for nonperformance of this agreement caused by or imposed by 1) strikes, fires, disasters, riots, acts of god, 2) acts of the buyer, 3) shortages of labor, fuel, power, materials, supplies, transportation or manufacturing facilities, 4) governmental action, 5) subcontractor delay or 6) any other cause or condition beyond CAC's control. In the event of such delay in shipment or nonperformance, CAC may, at its option, and without liability, cancel all or any portion of the agreement and/or extend any date upon which any performance hereunder is due.
- 6) **Transportation** – Delivery of the products covered hereunder shall be made FOB point of shipment. Transportation expenses are to be paid by the buyer. CAC will determine the carrier for shipping unless a specific carrier is specified by the customer. Special instructions for shipment must be received by CAC, in writing from the buyer, prior to shipment. Risk of loss or damage to goods shall be borne by the buyer upon delivery of the goods to the carrier, regardless of the terms of sale or any reservation of security title herein. The buyer shall procure and maintain for the benefit of CAC and the buyer as their respective interests may appear, adequate insurance on the products against damage by fire or other risks or casualties. The buyer shall be responsible for filing any claims against such insurers or carriers.
- 7) **Approval drawings** – Where applicable, generally to cover custom designed goods, CAC will supply approval drawings to the buyer after an order is received from the buyer. A payment may be required with the order from the buyer, prior to CAC generating the approval drawing. CAC will, at its' option, supply the approval drawing as an electronic file or printed "hard copy" to the buyer within an allotted amount of time in accord with the complexity of the ordered goods and CAC's current workload at the time of receiving the order from the buyer. Written approval of design of the goods must be received by CAC from the buyer prior to starting manufacture of goods. Delays during the approval process, due to incomplete information received from the buyer, the buyer being unwilling to approve the drawings, significant design changes required by the buyer or for any other reason will ultimately delay delivery of the goods. Design changes may incur additional charges for the equipment. CAC will advise additional charges after reviewing the buyer's changes (if any) to the design as described in the approval drawings. See item number 5 (above) for more information regarding delivery.
- 8) **Returns** – No returns will be accepted without prior approval from CAC. All returns require return authorization number (RA number) issued from CAC to the buyer. No shipments will be accepted if they are not accompanied with an RA number. No shipments will be accepted if returned COD or freight collect or shipping charges collect.
- 9) **Backcharges** – CAC will not accept any backcharges.

- 10) **Taxes** – CAC's prices do not include taxes. The buyer agrees to pay any and all taxes and assessments or both, that may be levied against the goods supplied by CAC. The buyer agrees to protect CAC from any and all actions arising from failure to pay taxes or assessments so levied or assessed. The buyer shall provide CAC with tax exemption certificates when required.
- 11) **Security title** – Security title and right of possession to the goods sold hereunder shall remain with CAC until the full price of the goods has been paid in full (see item number 2, above for more information regarding payments). This includes deferred payments and any notes or renewals or extensions. The buyer agrees to do all acts necessary to maintain such security right and title to CAC until all moneys due are paid in full.
- 12) **Cancellation** – Orders cannot be terminated or modified or shipment deferred after acceptance of CAC's offer by the buyer, except with CAC's written consent, subject to terms and conditions mutually agreed upon at the time of termination, modification or deferred shipment. Terminated, modified or shipment deferred goods will include the buyers indemnity to CAC against liability and expense incurred and commitments made by CAC. Profit on work in process and completed and contract value of goods completed must be paid in full by the buyer. Any work or goods scheduled for completion within 15 days of receipt of notice of the buyers intent to cancel, modify or defer shipment will be paid for in full and shipment accepted by the buyer.
- 13) **Purchase price** - Prices, terms of payment and pricing policies will be those set forth in CAC's proposal. Prices stated are based on CAC's standard packaging (not including crating, see item number 14, below for more information on crating). Packaging will be standard commercial grade and acceptable to commercial carrier. Special packaging can be furnished at the request of the buyer. The cost of special packaging requested by the buyer will be borne by the buyer.
- 14) **Crating** – crating costs are not included in goods prices, quoted or otherwise. If the goods require crating for shipment, the cost of crating the goods for crate materials and labor to manufacture the crate will be borne by the buyer. Typically, the crating charge will be added to the final invoice to be paid by the buyer.
- 15) **Limitation of liability** – CAC's liability on any claim of any kind, including negligence and breach of warranty, for any loss or damage resulting from, arising out of, or connected with this contract, or from the performance or breach thereof, or from the manufacture, sale, delivery, resale, repair, or use of any goods covered by or furnished under this contract shall in no case exceed the price allocable to the product or part thereof which gives rise to the claim. In no event shall CAC be liable for special, indirect or consequential damages. The buyer shall indemnify CAC against all liability cost or expense which may be sustained by CAC on account of loss, damage or injury, loss of use, income or profit or losses sustained as a result of injury, including death, to any person or loss or damage to property, including without limitation, property handled or possessed by the use of the subject equipment.
In absence of shipping and packaging instructions, CAC shall use its own discretion in choice of carrier and method of packaging. CAC shall not be responsible for insuring shipments unless specifically requested by the buyer and agreed upon, in writing, by CAC and any insurance so requested by the buyer shall be at the buyer's expense.
Risk of loss of any goods passes to the buyer upon delivery by CAC to the carrier, and any claims for losses or damage shall be made by the buyer directly with the carrier.
- 16) **Non-responsibility for damaged apparatus** – CAC will not be responsible for any damage resulting from improper storage or handling prior to placing the goods in service. CAC will not assume any expense or liability for repairs made outside CAC's plant without CAC's consent in writing.
- 17) **Claims** – Any claim by the buyer with references to the goods supplied under this agreement must be submitted by the buyer within 5 days of discovery. Any cause of action for breach of this agreement must be brought within one year of discovery.
- 18) **Miscellaneous** – Upon the buyer's acceptance of CAC's offer, the buyer accepts the terms set forth in this document. No other document or term of any kind will modify the terms set forth herein. No agent, salesman, or other party is authorized to modify the terms set forth herein or bind in anyway CAC to any agreement, warranty, statement, promise or understanding not expressed herein. CAC's terms and conditions set forth in this document supersede all prior or contemporaneous oral or written understandings, agreements, or recommendations and may not be added to, modified, rescinded or waived, in whole or in part, except by writing, signed by an executive officer of CAC. In addition to the rights and remedies conferred upon CAC by law, CAC shall not be required to proceed with the performance of any order or contract if the buyer is in default in the performance of any order or contract with the seller. In the event of any default by the buyer of any order or contract with CAC, CAC may suspend shipments. Any clerical errors are subject to correction. In the event CAC agrees to pay freight, any increase in freight rates paid by CAC arising subsequent to acceptance of offer by the buyer will be added to the purchase price of the goods and in such event will be paid for by the buyer. No delay or omission by CAC in exercising any right or remedy provided for herein shall constitute a waiver of such right or remedy on any future occasion. This contract shall be binding upon and shall insure to the benefit of the successors, and assigns of the buyer and CAC, provided however, that the buyer may not assign or transfer this contract, in whole or in part, except upon the prior written consent of CAC.
- 19) **Buyers remedies** – In the event of a breach of this contract by CAC, the buyer shall not be entitled to recover from CAC any direct, indirect, special incidental or consequential damages, it being agreed that the buyer's remedies shall be limited to replacement or repair of defective goods as provided the section numbered 4 herein this document, entitled limited warranty.
- 20) **Installation and service calls** – No installation or service calls are included in this contract unless otherwise stipulated in writing. When installation services or service calls are included, the buyer shall indemnify and hold harmless CAC for all liability for damage or claims resulting from acts or defaults of employees or agents of CAC while engaged in said services.
- 21) **Sales through agents** – All purchase orders, payments and related documents must be executed and addressed to the name and address of CAC and not to agents, representatives or other parties in order to be accepted by CAC as a legal and binding contract.
- 22) **Exceptions** – Any exceptions to these terms and conditions must be made in writing and signed by a principal authority of CAC.

Limited Warranty

General – Converter Accessory Corporation (CAC) warrants goods it manufactures and supplies to be free from defects in material and / or workmanship for a period of twelve months from the date of shipment. CAC warrants goods it manufactures and supplies to perform within the limits of the written proposal for a period of twelve months from the date of shipment. CAC agrees to correct any defect in material or workmanship, which may develop under proper and normal use during the warranty period. All purchased parts used to manufacture goods are subject to manufacturers guarantee / warranty. **This general statement of warranty is in effect except where noted, specifically, further within this document.**

Operating specifications – Goods will be supplied to operate in accordance with the buyers operating specifications. The buyer must supply all pertinent operating specifications and material samples to CAC at the time of or prior to CAC's acceptance of buyers purchase order.

Approval drawings – CAC may supply approval drawings covering certain products. In such cases where approval drawings are required, CAC will supply these approval drawings after CAC receives a written purchase order from buyer. The time line to supply approval drawings may vary depending upon the product being supplied and CAC's current workload at the time CAC accepts buyers written purchase order. CAC requires any approval drawings generated to be approved, in writing, by the buyer prior to starting manufacture of the goods. If changes are required to a particular product design, added charges may be required before such changes are incorporated. Any delays in buyer's acceptance of product design as depicted in these approval drawings will result in delivery delays of the goods being supplied.

Failure to perform – CAC must be made aware of the failure to perform immediately upon buyer's discovery of such condition. If goods fail to perform AND ALL the following warranty conditions are met:

- 1) The performance fails within the limits of the written proposal AND
- 2) The buyers operating specifications are correct and true and have not changed from originally advised for the application at the time of purchase order acceptance AND
- 3) The web materials are the same and have not changed from the samples received by CAC from the buyer AND
- 4) CAC's notification of failure to perform falls within the 12 month warranty period, as described under "General", above AND
- 5) The buyer has not modified, disassembled or attempted repair of the goods without CAC's written consent.

If all of the aforementioned warranty conditions (1-5) are met, CAC will rectify this failure to perform with the following actions in the order they are presented here:

- 1) After receiving notification of failure to perform, CAC will issue via email or fax, a return authorization document, which will include instructions for return.
- 2) At its' option, CAC may elect to visit the buyers facility to attempt correction, instead of having the goods returned. In this event, as mutually agreed upon by CAC and buyer, CAC must have full access to the goods in the buyer's facility to attempt any necessary corrections.
- 3) CAC will make necessary corrections, at its' expense, to ensure the goods perform within the limits of the original proposal covering them.
- 4) CAC will return the goods to the buyer.
- 5) All shipping and handling costs are to be borne by the buyer. CAC will not compensate or reimburse any shipping and handling costs.
- 6) If the equipment continues to fail to perform within the limits of the written proposal after CAC attempts the previously described correction, CAC will, at its option, make up to two additional attempts to correct the goods as previously described.
- 7) If CAC cannot correct the goods to perform within the limits of the written proposal (after up to three attempts) AND all of the warranty conditions are met, buyer shall have the option to return the goods.
- 8) **All returned goods are subject to a 25% restocking fee.**
- 9) **CAC will not accept returns without a first issuing a return authorization.**
- 10) After receipt of the returned goods, CAC will issue a credit memo. The credit amount will be in the amount of moneys paid to CAC for the original purchase of the goods by the buyer, minus 25% restocking fee, minus refurbishing charges and minus any shipping costs CAC has borne for the return.
- 11) **CAC DOES NOT ISSUE REFUNDS.**

If any of the aforementioned warranty conditions (1-5) are not met, CAC can, at its' option, attempt to correct the goods to perform within a mutually agreeable limit between buyer and CAC at the time of correction. Any and all of these corrections will be billed, additionally, to the buyer on a time and materials necessary basis. The buyer may, at its' option, stop any of these corrections but in such case will compensate CAC for time and materials spent prior to work stoppage. Buyer must agree to these corrections, in writing, prior to their implementation.

Exclusions – CAC accepts no responsibility with respect to damage resulting from improper installation, operation or negligence.

In no event shall CAC be liable for special, indirect or consequential damages, there being no warranties which extend beyond the descriptions within this document. Other than warranty of title, the forgoing warranty is exclusive and in lieu of all other warranties expressed or implied, including but not limited to any warranty of merchantability or fitness for a particular purpose.

Return Policy

CAC will accept return of standard, off-the-shelf, non-customized (by CAC or the buyer) goods of its manufacture if the following conditions are met:

- 1) The goods must be in NEW and UNUSED condition
- 2) The goods must not be modified and must be in their original condition and state
- 3) The goods must be returned within 3 months original purchase acceptance

Standard, off-the-shelf, non-customized (by CAC or the buyer) goods, allowable for return include:

- 1) Aluminum air chucks for 3" and 6" diameter cores with standard thru bore and standard valve and valve location. Air chucks manufactured for other core sizes are not subject for return.
- 2) End plugs for 3" and 6" diameter cores with standard thru bore. End plugs manufactured for other core sizes are not subject for return.
- 3) Center plugs for 3" and 6" diameter cores with standard thru bore. Center plugs manufactured for other core sizes are not subject for return.
- 4) Inflating guns
- 5) Mechanical chucks for 3" and 6" diameter cores with standard thru bore. Mechanical chucks for other core sizes are not subject for return.
- 6) 6" Face and 9" face Adjusta-Pull nip type spreaders.
- 7) Models APB12, APB18, APB24 and APB30 Adjusta-Pull mounting brackets.
- 8) Models FX1, FX2, FX3 venturis with and without PTFE lining.
- 9) Models 300AB, 400AB, 350AB, 450AB, 500AB, 501AB, 600AB, 700AB, 800AB, 1015AB regenerative blowers.
- 10) Filters supplied with blowers described in line number 9.
- 11) Silencers supplied with blower described in line number 9
- 12) 1.5" Diameter, 2.5" diameter and 4" diameter pick up nozzles with and without PTFE lining.
- 13) 1.5" Diameter, 2.5" diameter and 4" diameter Wye connectors with and without PTFE lining.
- 14) Blower starters
- 15) Trim-AX choppers with and without PTFE lining.
- 16) Standard duty safety chucks.
- 17) Medium duty safety chucks.
- 18) Mechanical tension brakes with standard bore sizes.
- 19) Air operated tension brakes with standard bore sizes.

All returned goods are subject to a 25% restocking fee.

CAC will not accept returns without a first issuing a return authorization.

After receipt of the returned goods, CAC will issue a credit memo. The credit amount will be in the amount of moneys paid to CAC for the original purchase of the goods by the buyer, minus 25% restocking fee, minus refurbishing charges and minus any shipping costs CAC has borne for the return.

CAC DOES NOT ISSUE REFUNDS.