

# STANDARD TERMS AND CONDITIONS OF SALE -- CHEMICAL PROCESS INDUSTRIES, LLC (CPI)

**ALL ORDERS FOB CPI UNLESS AGREED TO IN SEPARATE WRITTEN AGREEMENT.**

**QUOTATIONS & PRICES ARE SUBJECT TO ADJUSTMENTS BY SELLER AT ITS DISCRETION AT ANY TIME DUE TO ENERGY, MATERIAL OR TRANSPORTATION COSTS, OR ACTUAL QUANTITIES OR WEIGHTS.**

**WE RESERVE THE RIGHT TO ADD 0.6% PER MONTH FINANCE CHARGES TO ALL AMOUNTS UNPAID AFTER 30 DAYS OF INVOICE DATE, ANNUAL PERCENTAGE RATE 7.2%.**

**WE HEREBY CERTIFY THAT THESE GOODS WERE PRODUCED IN COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF SECTIONS 6, 7, AND 12 OF THE FAIR LABOR STANDARD ACT OF 1938, AS AMENDED AND OF REGULATIONS AND ORDERS OF THE ADMINISTRATOR OF THE WAGE AND HOUSE DIVISION ISSUED UNDER SECTION 14, THEREOF.**

**IT IS GENERALLY RECOGNIZED THAT EVEN AFTER EMPLOYING ALL KNOWN SCIENCE, VARIABLES IN THE METAL FINISHING AND METALS REMAIN. CPI IS RESTATING THE FOLLOWING TERMS AND CONDITIONS AS THE CUSTOM AND USAGE OF THE TRADE. THESE TERMS AND CONDITIONS APPLY TO ALL SALES.**

1. **QUOTATIONS** - Quotations are open for acceptance Ninety (90) days from issuance. After ninety days, prices & terms are subject to change without notice.
2. **TAX** - Prices quoted do not include any excise tax imposed by any present or future law of federal, state, or other governmental authority.
3. **SALES TAX** - This sale is exempt from state sales and use taxes as material is shipped to purchaser for resale. If the sale is taxable, purchaser agrees to hold seller harmless from all sales and use taxes, interest, and penalties.
4. **PART DESIGN / IMPERFECTIONS** - We reserve the right, at our option, either to reject work or to make an extra charge for finishing any base metal below our required standard. In the event that results of metal finishing operations are unsatisfactory caused by metal imperfections, changes in grade or composition of materials, manufacturing and/or fabrication imperfections, usage's for which the finishing operation was not reasonably designed, and similar variables over which we have no control, the customer will be required to pay the contracted amount for the finishing operation performed.
5. **PRIOR FINISHING** - We assume no responsibility for defective plating or other finish on materials or merchandise previously plated or finished by others. Such defective merchandise will be returned to customer for refinishing or, at our option, stripped and refinished in our plant at customer's expense.
6. **CUSTOMER INSTRUCTIONS** - Work is done and articles are handled in accordance with written instructions accompanying the order. Customers requiring special treatment for delicate or close tolerance parts must give written instructions.
7. **SPECIAL / EXPERIMENTAL** - In special or experimental processing and finishing, our charges are not contingent upon the success of the work or the benefit derived therefrom by the customer.
8. **LOSS IN TRANSIT** - We assume no liability for any loss of or damage to merchandise or material while in transit to or from our factory, whether in trucks or vehicles owned by us, the customer, or any third person acting in our or the customer's behalf, or for any loss of or damage to said merchandise or materials while the same are in our possession for any cause whatsoever, including, but not limited to theft, fire, war casualty, terrorism, or act of God.
9. **WARRANTY** - We make no warranties or representations, express or implied, as to workmanship, performance, quality, durability, fitness for particular purpose or merchantability for any of the services/articles CPI sells. This disclaimer is for all liability including, among other, liability for consequential, incidental, and special damages. The only warranties that apply to such articles are those that are written and specifically provided by the manufacturer. Seller makes no warranties concerning the manufacturer's warranties. THE WARRANTY EXPRESSED IN THIS PARAGRAPH IS EXCLUSIVE AND IN LIEU OF ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. The provisions of this section may be altered or modified by separate written agreement and any liability we assume will be covered by a separate charge for such coverage. We warrant that processing and finishing shall meet customer's specifications supplied in writing with the order and that such processing and finishing shall be free from defect in material or workmanship. When customer specifies methods and procedures to be followed, we shall comply whether or not the desired result is indicated; we assume no responsibility for the correctness of such methods and procedures or the result when they are followed. We do not warrant that material furnished by customer is suitable or fit for processing and finishing.
  - a. No claim for shortage in weight or count, or defect in quality, whether, latent or patent, will be allowed unless presented in writing by certified mail or nationally recognized carrier within three (3) working days after receipt of material by customer or the customer's consignee to whom it is delivered, the customer hereby expressly assuming the risk of discovering such shortage or defect within such time.

Any material found upon inspection by us to be defective in workmanship or material will be refinished by us without charge upon delivery to us FOB our plant, provided that such materials are returned in the same condition as when originally shipped by us. We will in no event be responsible for weight counts or other inspection functions for merchandise received from third parties on behalf of the customer.

b. To satisfy a claim, we will have the right, but not the obligation, to refinish the material at our cost. Any material or merchandise found, upon our inspection, to be improperly processed by us may be refinished without charge provided:

I. That notice of defect is given verbally within three working days and in writing within 10 working days from the date of delivery; and

II. That materials or merchandise returned have/has not been altered structurally or chemically since processed by us. Processing or assembly of any such rejects by you or any other party shall constitute a waiver of any liability on our part.

c. Our liability for any loss or damage of any nature, is limited to the customer's cost of the material or merchandise or our processing and finishing price for such material, whichever amount is the lesser.

10. **RMA POLICY** - RMA number must be obtained prior to returning any product. All shipping documents must have the RMA number noted on them. Receipt of an RMA number does not constitute admission of fault or liability, authorization for freight charges or acceptance of debits. RMA numbers are used solely to assist with tracking, investigating and addressing suspected non-conformances.

11. **ADMINISTRATIVE AND QUALITY FEES** - No customer administrative, quality or similar fees are allowed unless agreed to by separate signed writing.

12. **CLAIMS** - No claims will be allowed for shrinkage, expansion, deformity, rupture or other alteration of material in finishing, nor for breakage in straightening, except by special separate written agreement.

13. **FORCE MAJEURE** - All quotations, orders or agreements, or any modifications thereof are contingent upon and subject to any and all occurrences beyond our control, including but not limited to strikes or boycotts (whether occurring at our factory, customer's plant or factory, the plant or factory of any supplier, either of the customer or of ourselves, or elsewhere) accidents, theft, fires, war, terrorism, shortage of materials, or equipment causality, or acts of God, and we shall not be liable for failure to perform an agreement for such causes. Should we notify you of our inability to perform an agreement for such causes, you are required at your own risk and responsibility, and at your own cost and expense, to pick up at our factory the raw, finished or unfinished materials we have belonging to you.

14. **DELIVERIES** - Deliveries made by us within ten (10) days of the time specified shall be deemed in full compliance with our agreement. It is agreed that we shall have the right to make partial or installment deliveries, for which the customer shall pay at the contract price. Defective delivery or non-delivery with respect to any installment or partial delivery under this contract shall be a severable breach and shall not give the purchaser the right to treat the entire contract as breached.

15. **CANCELLATION** - In the event of the customer's cancellation of the order, the customer shall reimburse us for the work completed and work in process and for tooling and engineering expenses incurred in connection with such order and any lost profit.

16. **LIEN** - All customer's merchandise in our possession shall be subject to a general lien for all monies owing by the customer to us, whether or not due or payable, and whether or not such monies are owing to us for work, labor or services rendered, or materials or equipment used in connection with such merchandise.

17. **TOOLING / FIXTURES** - Special tools, racks and fixtures required for the performance of the work described herein designated and built by us shall be and remain our property whether or not customer is charged for time and/or material in connection herewith.

18. **PACKAGING** - During storage and transportation of customer's material, customer's container used for delivery to us shall be used and any damage resulting from such containers shall be at the customer's risk. Should customer desire other packaging or containers, such material & handling may be provided upon receipt of written order and may incur additional costs to customer.

19. **INVOICES DUE NET 30 - Accounts will be due and payable Net 30 days following date of Invoice.**

20. **ENTIRE AGREEMENT** - The provisions hereof constitute the entire agreement between the parties. Any changes, alterations, waivers or modifications with respect either as to the job performed or the terms of sale, or any other matter set forth herein must be in writing and signed by a duly authorized representative of the company. These terms and conditions shall apply to any order or agreement for the process of any materials or merchandise. Our acceptance of your order is expressly made conditional on your assent to these Terms and Conditions.

21. **INDUSTRY STANDARD** - These Standard Terms and Conditions of Sale have been accepted as standard practices of the industry by the National Association of Metal Finishers.