

## General Terms and Conditions:

These terms and conditions shall apply to all products furnished by National Magnetics Group, Inc. (Seller), unless modified by Seller in writing, notwithstanding any terms which may appear on Buyers order. Any dispute arising under the terms of this agreement or in association with the sale of goods to Buyer shall be resolved in accordance with the laws of the Commonwealth of Pennsylvania.

1. Complete Contract: These terms constitute the entire agreement between Seller and Buyer.
2. Prices: Seller reserves the right to change prices in the event of a change in Seller's manufacturing conditions. In the event of an increase resulting from such changed conditions, Buyer, within ten (10) days after notice of such increase, may cancel the order without charge, except that Buyer shall take delivery of all parts in process at the original price. Prices are based on quantities and delivery schedules accepted herein. A reduction in quantities or change in delivery schedule initiated by Buyer requires consent of Seller and any resulting increase in price does not entitle Buyer to cancel.
3. Shipment: All shipments will be consigned in accordance with instructions supplied by Buyer. In the absence of such instructions, Seller will select what is, in its opinion, the most economical and direct route. The risk of loss of the goods shall pass to Buyer as soon as they are delivered to the Transportation Company and Seller assumes no responsibility for any loss, damage or delay that may occur after goods have been delivered to the Transportation Company for shipment. Any such claims should be made to the carrier in accordance with Section 2 of the Uniform Bill of Lading. In the event a carrier is not able to use Buyer's account for shipping costs, any additional costs incurred by Seller will be passed on to Buyer, including any surcharges or penalties.
4. Delivery: Delivery dates are given to the best of Seller's knowledge based on conditions existing at time of order. Seller will use its best efforts to ship within the time estimated, but does not guarantee to do so. Failure to make shipment as scheduled does not constitute a cause for cancellation or for damages.
5. Delay: The Seller is not responsible for any delay or failure in performance (including clearance from any port of exportation) caused by circumstances beyond the reasonable control of the Seller and affecting the Seller, or others, including but not limited to the following: Acts of God, Government action or inaction, public enemy, riots, embargoes, strikes or other concerted acts of workmen, casualties or accidents, delays in transportation. In the event the Buyer requests a delay in scheduled delivery, Seller reserves the right to demand payment on original terms, and may charge a storage fee to hold product at our facility.
6. Payment: Seller's open account terms are net 30 days. Seller, at its sole discretion, shall approve Buyer's credit. Buyers may, at Seller's request, be required to prepay invoice at the time of order confirmation. Returned checks subject to fee.
7. Taxes: Quoted prices do not include any applicable taxes.
8. Cancellation: Cancellation of orders by the Buyer can only be made with Seller's written consent and on condition of payment of Seller's cancellation charges.
9. Patents: Buyer agrees to indemnify Seller and to hold Seller harmless from all loss, including but not limited to, expenses, damages, costs and attorney's fees resulting from any claim for patent infringement or otherwise, which may be asserted against the Seller, Buyer or any other person or corporation with respect to any product manufactured by the Seller wholly or partially to the Buyer's design, specification or formulae.
10. Warranty: Seller warrants that the material covered by this order is in accordance with specifications provided by Buyer, and agreed to by Seller at the time of order confirmation. Material will be free from imperfections in material and workmanship. Buyer must notify Seller within 90 days from date of shipment, in writing, of any substantive defects found. Seller's obligation is limited, at its option, to repair or replace goods which are proven defective. Seller's written consent must be obtained in the form of a RMA number before goods may be returned.
11. Limitation of Seller's Warranty: Seller's liability is limited to the refund of the purchase price, or, at its option, to the repair or rework, or replacement, of defective goods. Under no circumstance shall Seller be liable for any indirect, special or consequential damages of any kind, including but not limited to, damages for loss of anticipated profits or loss of use or other economic loss which may result from or arise in connection with the use of any of the goods sold hereunder.
12. No Waiver: No delay or omission of Seller in exercising any right or power arising from any default by Buyer shall be construed as a waiver of such default nor shall Seller's waiver of any default of Buyer be construed to be a waiver of or acquiescence in or consent to any preceding or subsequent default of Buyer.