

ELECTRO INDUSTRIES STANDARD TERMS AND CONDITIONS

(Effective March 1, 2019)

1. **Payment Terms.** Payment shall be made within net thirty (30) days from the shipment date unless otherwise agreed in writing between the parties. Time is of the essence. Electro reserves the right to refuse, cancel or delay shipment or to require that all subsequent purchases be made on a C.O.D. basis when (a) Customer's ability to satisfy its obligations to Electro is impaired; (b) Customer is delinquent in payments or fails to meet other reasonable and customary creditor financial requirements established by Electro; (c) Customer's account exceeds Electro's established credit line for Customer; or (d) Customer has failed to perform its obligations under any agreement with Electro.
2. **Credit Card and Wire Transfer Payments.** All credit card information must be provided at the time of the order and payment will be applied to your credit card at the time of shipment. All invoices paid via credit card will include an additional 4% handling fee. Customer shall be responsible for all wire transfer fees relative to invoices paid by wire transfer.
3. **Late Charge.** If any amount due Electro is not paid within five (5) days of its due date, Customer shall pay Electro a late charge equal to \$50.00. The late charge shall apply individually to all payments past due with no daily adjustment and shall be used to defray Electro's cost incident to collecting such late payment.
4. **Returned Check Fee.** Customer shall pay Electro \$50.00 for each of Customer's checks returned to Electro unpaid by Customer's bank.
5. **Costs, Expenses, Attorneys' Fees.** In case Electro shall, without fault on its part, be made a party to any litigation commenced by or against Customer, or Electro shall employ an attorney to enforce the terms of the parties' agreements or to collect any amount due Electro, then Customer shall pay all costs, expenses and reasonable attorney's fees incurred or paid by Electro in connection with such litigation or enforcement of Customer's agreements and payment obligations.
6. **Interest.** If Customer fails to pay or reimburse to Electro any amount due Electro, Customer shall be obligated to pay to Electro interest on such sum equal to eighteen (18%) percent per year (1-1/2% per month) or the highest rate of interest then permitted by law, whichever is less.
7. **Taxes, Customs, Duties and Tariffs.** Electro's prices do not include federal, state, local sales, use, value added, excise or other similar taxes or fees nor any customs, duties or tariffs. Customer shall be responsible for any taxes, duties, customs and tariffs Electro may be required to collect under any law now or hereafter enacted relative to the products or services purchased from Electro. Customer shall promptly pay said taxes, duties, customs and tariffs upon Electro's written demand.
8. **Shipment Terms.** Subject to delay due to force majeure, Electro will ship the products to Customer within a reasonable time after receipt of Customer's purchase orders. All of the products will be shipped by Electro to Customer's identified warehouse facility or freight forwarder, or may be drop shipped to a specified end user, pursuant to Customer's written instructions. Electro shall deliver products for Customer based on FOB, 2150 West River Street, Monticello, MN 55362. Title and all risk of loss to or damage to the shipped products will pass to Customer upon delivery by

Electro to Customer' designated carrier. If Customer changes or alters the date of product shipment or delivery after submission of a purchase order, Electro reserves the right to cancel the order or collect monies from Customer sufficient to cover the cost of inventory purchased in contemplation of processing Customer's order.

9. **Quotations.** Alterations or modifications of the original quotation or specifications, including changes in quantity, material, design or other features, must be communicated in writing by Customer to Electro and may increase prices. Customer shall be liable for and reimburse Electro for any and all work in process, accepted or not accepted, at the time of Electro's receipt of notice of changes.

10. **Cancellation of Orders.** All cancellations must be in writing. Customer shall be responsible for all work in process and/or completed up to Electro's receipt of Customer's cancellation. Customer's responsibility includes but is not limited to liability for work in process, materials received, production runs, restocking fees, tooling, shipping and any other costs incurred by Electro prior to receipt of cancellation, plus a twenty percent (20%) surcharge on said costs. Customer shall make payment pursuant to this provision within ten (10) days of cancellation.

11. **Terms in Customer's Purchase Orders.** Terms contained in Customer's purchase orders are expressly rejected and shall not bind Electro or affect or invalidate any terms contained herein. All of the terms and conditions set forth herein shall not be modified except upon Electro's express written agreement.

12. **Return Policy and Restocking Fees.** All returns of new products or parts, whether for credit, repair or replacement, shall be governed by Electro's *Return Policy* as set forth in *Exhibit A* attached hereto and shall be subject to the restocking fees set forth therein.

13. **Governing Law.** All questions arising out of or relating to the business conducted between Electro and Customer shall be governed by and construed in accordance with the laws of the State of Minnesota, USA, without regard to conflicts of laws principles and any such disputes shall be venued in the district courts of the State of Minnesota.

14. **Force Majeure.** Electro is not responsible for delays or nonperformance if the delay or nonperformance is caused by acts of God, floods, fires, explosions, storms, transportation difficulties, strikes, lockouts or other labor or industrial disturbances; wars, terrorist acts, laws, rules, orders or actions of any court, agency or other instrumentality of any government; reduction or unavailability of supplies, products or materials; failure of performance by raw material or component suppliers or any subcontractor upon whom Electro may rely; failure of presupposed conditions, commercial impracticability or any other cause(s) beyond Electro's control. In the event of any condition listed or similar to those listed, Electro shall have the right to suspend delivery or allocate materials among customers in any manner which Electro determines is reasonable.

15. **Reservation of Rights.** Electro reserves the right to change these *Terms and Conditions* at any time and from time to time, with or without prior notice.

EXHIBIT A

Return Policy

(Effective March 1, 2019)

RETURN OF NEW PRODUCTS OR PRODUCT PARTS

Only products or product parts with a Return Goods Authorization (RGA) # issued by Electro Industries will be accepted for credit or replacement. RGA #s are obtained by contacting Electro Industries by phone, fax or email (returns@electromn.com) with the following required information: part/model number being returned, product model number the part is from, product serial/ARL/CSA number, nature of the product failure, original installation date of the product, failure date of the product or product part, contact person, phone number, dealer/contractor name, distributor name and original AR #. Electro Industries will not accept returns sent without the above stated information.

RETURN OF PRODUCT OR PRODUCT PARTS FOR WARRANTY (Part Repaired)

Only product or product parts with a Return Goods Authorization (RGA) # issued by Electro Industries will be accepted for warranty repair. RGA #s will only be issued for product or product part failures after troubleshooting the issue with a representative of Electro Industries (a representative is defined as a Sales Representative, Distributor, or Employee of Electro Industries, Inc.). If an RGA # is to be issued, Electro Industries must be contacted with the following required information: part/model number being sent in, product model number the part is from, product serial/ARL/CSA number, nature of the product failure, original installation date of the product, failure date of the product or product part, contact person, phone number, dealer/contractor name, distributor name and original AR #. Electro Industries will not accept returns sent without the above stated information.

RETURN OF PRODUCT OR PRODUCT PARTS FOR WARRANTY (Part Replaced)

Only product or product parts with a Return Goods Authorization (RGA) # issued by Electro Industries will be accepted for warranty credit. RGA #s will only be issued for product or product part failures after troubleshooting the issue with a representative of Electro Industries (a representative is defined as a Sales Representative, Distributor, or Employee of Electro Industries, Inc.). If an RGA # is to be issued, Electro Industries must be contacted with the following required information: part/model number being sent in, product model number the part is from, product serial/ARL/CSA number, nature of the product failure, original installation date of the product, failure date of the product or product part, contact person, phone number, dealer/contractor name, distributor name and original AR #. Electro Industries will not accept and credit will not be issued for any product part returned without the above stated information.

Distributors returning product or product parts on behalf of a contractor must provide the above stated information along with the date in which the replacement product or product part was sold to the contractor. Electro Industries will not accept returns from distributors on behalf of contractors without the original contractor purchase date.

All product or product parts being returned for warranty credit must be sent and received by Electro Industries within sixty (60) days of receiving the replacement from Electro Industries or a distributor. Credit will not be issued for any product or product part being returned for warranty credit that is received by Electro Industries after the sixty (60) days.

RESTOCKING FEES

- There is a 15% restocking fee for new product or new product parts that are returned within the first thirty (30) days after the unit was purchased or shipped, whichever is later.
- There is a 25% restocking fee for new product or new product parts that are returned between thirty (30) days and ninety (90) days after the unit was purchased or shipped, whichever is later.
- There is a minimum of a 25% restocking fee for all **installed or used** products or product parts that are returned. The actual restocking fee is based on the amount it will cost to bring the product or product part back to salable condition.
- There is a 25% restocking fee for any product or product parts that were allegedly defective but deemed to be free of defects in material and/or workmanship by Electro Industries

CONDITIONS AND LIMITATIONS

- Electro Industries will not accept any returns ninety (90) days after the unit was purchased or shipped, whichever is later.
- Electro Industries will not accept any returns on programming chips.
- Generally credits will be issued within four (4) weeks of Electro Industries receiving the product or product parts. However, the processing of products and products parts for return and credit may take four (4) weeks or longer depending on the season.
- Credits may not be applied to an account prematurely. A credit may only be taken and applied to an account once the return has been processed and a credit memo has been issued.

RESERVATION OF RIGHTS

Electro Industries reserves the right to change its *Return Policy* at any time and from time to time, with or without prior notice.