

## STANDARD TERMS AND CONDITIONS

### 1. **TERMS OF AGREEMENT**

All orders placed with Hilec, llc. (“Hilec”) are subject to the terms and conditions detailed below. The purchase order, together with these standard terms and conditions, and any attachments, specifications or drawings (collectively, “Purchase Order”) constitute the entire and exclusive agreement between Hilec and the Customer identified in the Purchase Order. Hilec’ acceptance of the Purchase Order is conditioned on Customer’s agreement with these terms and conditions. Customer’s submission of a Purchase Order constitutes Customer’s acceptance of these terms and conditions.

No change, alteration, deletion or modification of any of these terms and conditions is permitted. No employee of Hilec is authorized to remove, except, modify or vary these terms and conditions, including all representations and warranties.

### 2. **PRICING AND PAYMENT**

Customers shall contact Hilec directly for specific pricing and delivery information. Prices are subject to change without notice and quantities may be limited. All orders are subject to current pricing at time of acceptance by Hilec. All quotes and invoices are in United States Dollars (USD). All payments must be made in USD. Standard payment terms are C.O.D. or payment in advance of shipment. Established customer credit accounts may request net 30 payment terms. Please contact a Hilec sales representative to discuss your eligibility for an established customer credit account and net 30 payment terms. Customer shall be solely responsible to report and pay all taxes, duties, tariffs and surcharges applicable to purchases from Hilec. Customer shall be solely responsible for any bank transfer fees applied to payments made to Hilec.

### 3. **QUANTITY VARIATION**

Hilec reserves the right to ship a reasonable quantity of goods in excess of the quantity ordered or may consider an order complete with a reasonable under-shipment. Such excess or shortage will not exceed 10% of the quantity specified.

### 4. **MINIMUM ORDER**

Hilec’ minimum order value is \$100.00 USD.

### 5. **BLANKET ORDERS**

Established credit customers may enter into a “Blanket Order” agreement. All Blanket Order agreements are subject to the following terms:

5.1 A Customer entering into Blanket Order agrees to purchase a specified number of products over a designated period of time. Pricing for such products shall be based upon the total quantity ordered. Once the Blanket Order is placed it may not be canceled. All products shipped under a Blanket Order are non-returnable.

5.2 A Blanket Order must be completed within 12 months of original order date.

5.3 Schedule expedites are allowed pending date agreement by Hilec.

5.4 Individual release dates are not extendable within 30 days of original schedule.

5.5 No reduction in Blanket Order quantity or Purchase Order value is allowed.

5.6 Pricing is firm for the term of the Blanket Order regardless of increases in quantity.

5.7 Payment terms are net 30 from date of invoice.

5.8 In the event of a Customer's late payment or attempt to cancel or terminate a Blanket Order, Hilec will have the option to:

(a) Invoice Customer to recover any discount given based upon the original quantity of the Blanket Order. Such invoice shall be immediately due and payable; and

(b) Treat such attempted cancellation or termination as a breach of the contract and pursue all remedies available, including legal action, to recover all damages incurred as the result of the breach of the contract.

## **6. INTERNATIONAL ORDERS**

Hilec accepts international orders. All orders of international origin are exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to law is prohibited. All duties, tariffs, surcharges and taxes shall be the sole responsibility of the Customer.

## **7. CONSIGNMENT ORDERS**

Established credit customers may enter into a "Consignment Inventory Agreement with Hilec providing for inventory that is in the possession of the Customer, but remains owned by Hilec. All Customers entering into a Consignment Inventory Agreement shall be subject to the following terms and conditions:

7.1 Hilec will consign inventory for a maximum of one year.

7.2 Payment terms are net 30 days.

7.2 Customer shall be solely responsible for all costs of freight and insurance for delivery of the consigned inventory to and from Hilec.

7.3 Customer shall provide proof that Hilec is named as an "Additional Interest/Loss Payee" on Customers' insurance policy.

7.4 Customer shall retain original labels and wrapping on consigned inventory.

7.5 Customer shall ensure that consigned material is kept in usable and sellable condition.

7.6 Customer shall provide a weekly inventory count and usage of all consigned inventory. Any used material shall be invoiced immediately.

7.7 Upon request, Customer shall allow Hilec to enter Customer premises for a physical count. Any missing or damaged material shall be invoiced immediately.

7.8 Failure to comply with any of the above conditions, or any of the conditions set forth in this document may result in termination of Consignment Inventory Agreement, at the option of Focused Solutions.

**8. DELIVERY**

Customer shall pay all shipping and freight charges and insurance. All items are shipped F.O.B. West Allis, Wisconsin unless other arrangements have been specified by the Purchase Order. Hilec' warehouse is open and staffed Monday through Friday 8:00 a.m. to 5:00 p.m. Central Time (subject to holidays). Orders are shipped only on these business days. Orders and correspondence received on Saturday and Sunday will be addressed/shipped on the following Monday and included in that day's business. Orders received on a holiday will be addressed/shipped on the following business day and included in that day's business.

**9. RETURN POLICY**

Hilec has a No Cancellation, No Return (NCNR) policy for all accepted orders. Hilec must be notified, in writing, of any and all claims that products delivered are defective. Failure to notify Hilec within 30 days of receipt of products will be deemed an acceptance of such products.

**10. PRODUCT LIABILITY AND DEFECTIVE PRODUCT**

Hilec' only obligation for products proven to be defective will be for replacement of defective products only. Hilec gives no warranty; either expressed or implied, and specifically disclaims all other warranties, including warranties for merchantability and fitness for a particular purpose. By ordering products from Hilec, customer warrants and represents that it has or will conduct all necessary testing and investigation to ensure that all Hilec' parts function in the manner required and as designed by customer. In no event shall Hilec' liability exceed the customer's purchase price, nor shall Hilec be liable for any indirect or consequential damages. Hilec shall not be required to credit or replace any products determined by Hilec to have been subject to extreme temperatures, misuse (including static discharge), neglect, accident, modification or which have been altered during assembly and are not capable of being tested.

Hilec may offer technical assistance or suggest alternative parts based on information available at that time. Such suggestions, however, do not constitute warranties that alternative products or technical assistance will be correct for the customer's intended application. The customer shall be solely responsible for any and all use of Hilec' components in customer's application and shall not rely upon the suggestions or representations of Hilec for any purpose whatsoever.

**11. PROHIBITION ON LIFE SUPPORT APPLICATIONS**

Hilec' products are not designed for use in life support appliances or devices or systems where malfunction of products can result in personal injury or death. Any Hilec customers who disregard this statement shall fully indemnify Hilec for any and all damages resulting from such improper use or sale, including but not limited to any award of damages made against Hilec and costs of defense including attorney fees.

**12. INFRINGEMENT DISCLAIMER**

Hilec (i) expressly disclaims any and all warranties against third party claims for infringement or the like, and (ii) shall have no obligation of any kind to the Customer for claims brought by third parties against the Customer for infringement or the like arising out of or in any way related to product purchased by the Customer from Hilec. Customer shall indemnify Hilec against any claims brought by third parties against Hilec alleging patent, trademark, license or other intellectual property infringement resulting from the use of Hilec' parts in customer's application.

**13. PRIVACY POLICY**

Your privacy is ultimately important to Hilec. At no time will Hilec make the names, addresses or any other contact information available to anyone other than Hilec personnel.

**14. COLLECTION AND ATTORNEYS FEES**

In addition to the amount due under any unpaid invoice, customer agrees to pay a reasonable attorney fee as part of any collection efforts undertaken by Hilec. In the event any suit or action is brought arising from the contract, the prevailing party shall be entitled to a reasonable amount of attorney fees in addition to any other damages otherwise awardable.

**15. MERGER**

These terms and conditions and a written invoice are intended to be the full, final and singular expression of agreement between the parties. All prior agreements, whether written or oral, are deemed to be merged herein. No agreement between the parties after issuance of invoice shall be binding unless such agreement is in writing and executed by both parties hereto. Unless specifically agreed to in writing by Hilec, these terms and conditions supersede any submitted by Customer in any proposal or acknowledgment.

**16. CERTIFICATIONS**

Hilec' operations from order entry through product shipment are ISO 9001: 2008 certified.

**17. GOVERNING LAW**

Any claims brought as the result of this agreement shall be governed by the laws of the State of New York and the property venue for any such action shall be Wyoming county, New York.