



TERMS AND CONDITIONS OF SALE

PRICES: All prices shall be in accordance with Torotel Products' written price quotations that are in effect at the time of receipt of the purchase order. The prices quoted are for acceptance within ninety (90) days from the date of written quotation.

PAYMENT TERMS: Terms are net thirty (30) days from the date of invoice subject to final credit approval at the time of receipt of the purchase order. Initial orders for less than \$1,000 from new customers will be on a C.O.D. basis. Invoices may be submitted as partial shipments are made. If during the period of contract the financial condition of the purchaser does not justify the terms of payment specified, Torotel Products in its sole discretion, may demand full or partial payment in advance before proceeding with the contract.

TAXES: Prices quoted are exclusive of any tax or other charges that Torotel Products may be required to collect or pay upon the sale of items quoted. Such charges are payable by the purchaser and all purchase orders must state the existence and amount of any charges that are Torotel Products' responsibility to collect or indicate by certificate exemption.

SHIPMENT: The promised shipment date is estimated from raw material lead times and from current production schedules, and is subject to confirmation at the time of receipt of purchase order. Torotel Products is not responsible for any loss, damage or delay of any type caused by reasons beyond its control. Unless specifically agreed upon in writing, exact time of delivery is not a condition of sale; therefore, cancellations, returns or penalties cannot be considered for that reason. Shipments shall be F.O.B. shipping point unless agreed otherwise. Torotel Products reserves the right to partial ship unless instructed otherwise. Special packaging, crating and handling charges that may be required shall be added to the purchaser's account.

TITLE: The right of possession of the items sold shall remain with Torotel Products until all payments there under are made, as agreed. No assignment of these items shall be made in any form until payments there under are made, as agreed.

CLAIMS: Risk of loss or damage shall pass to purchaser upon delivery of goods to the carrier at the F.O.B. shipping point. The responsibility for claims for in-transit damages and non-receipt of goods is transferred to the purchaser at the F.O.B. shipping point. Claims for damage should be made to the carrier by the purchaser after inspection upon receipt and not later than ten (10) days thereafter. Claims for shortages must be made to the carrier or to Torotel Products not later than five (5) days after receipt of shipment.

WARRANTY: All items manufactured by Torotel Products are warranted to be free from defects in material and workmanship for a period of one year from the date of manufacture, which is measured by "date code". During the warranty period, parts proven to be defective by Torotel Products inspection shall be repaired or replaced free of charge (see "RETURNS"). No warranty is implied with respect to damages arising from improper usage or handling of the items covered herein. Torotel Products' responsibility for the repair or replacement of any defective part is fulfilled upon delivery of goods to the carrier at the F.O.B. shipping point.

RETURNS: Any items returned to Torotel Products must have a Return Material Authorization (RMA) number issued by Torotel Products.

ACCEPTANCE OF ORDERS: These Terms and Conditions of Sale are part of the Sales Quotation and Order Acknowledgment, and together constitute a binding mutual agreement between the purchaser and Torotel Products, unless agreed otherwise. All purchase orders shall be construed and governed by the laws of the State of Missouri.

CANCELLATIONS: Orders are not subject to cancellation except by mutual consent and on terms which will indemnify Torotel Products against any loss. Torotel Products reserves the right to close orders short by up to 5% of the quantity ordered.

GENERAL: Torotel Products represents that with respect to the production of the articles and/or performance of the services stated herein, it has fully complied with all of the applicable provisions of the Fair Labor Standards Act as amended, and with all applicable regulations and orders of the United States Department of Labor.