



NEUTRIK

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TERMS & CONDITIONS OF SALE – NEUTRIK AUTHORIZED DISTRIBUTORS

THE FOLLOWING PROVISIONS AND CONDITIONS OF SALE AS STATED HEREIN BELOW ARE APPLICABLE TO ALL PURCHASE ORDERS AND ARE THE ONLY CONDITIONS OF SALE APPLYING TO THE SALE OF NEUTRIK PRODUCTS OR SERVICES EXCEPT AS TO CONDITIONS RELATING TO THE PRICE, QUANTITIES, DELIVERY SCHEDULES, TERMS OF PAYMENT, SHIPPING INSTRUCTIONS, AND DESCRIPTIONS AND SPECIFICATIONS OF THE PRODUCT. ALTHOUGH THIS FORM IS AN "EXPRESSION OF ACCEPTANCE" OR "CONFIRMATION DOCUMENT" NEUTRIK USA, INC (hereafter known as "we", "us" or "our") SHALL NOT BE DEEMED TO HAVE WAIVED THE FOLLOWING CONDITIONS APPEARING IN, INCORPORATED BY REFERENCE, OR ATTACHED TO THE AUTHORIZED NEUTRIK DISTRIBUTOR AGREEMENT (hereafter known as "Distributor", "you" or "your") PURCHASE ORDER (hereafter referred to as "PO").

1. **CONDITIONS OF SALE:** The terms and conditions of sale are as indicated below and, except as otherwise indicated in this document, are the complete and exclusive statement of all terms and conditions between the parties with respect to the matter contemplated herein, superceding all prior written or oral agreements or understandings. All orders are subject to acceptance by Neutrik USA, Inc.
2. **TERMS of SHIPMENT**
 - A. All shipments are made FOB, place of shipment, and are made best way as determined by us unless otherwise specified on the face of the PO.
 - B. There is no additional fee for consignee shipping. Requests for consignee shipping must be submitted in writing.
 - C. Drop shipments must be requested in writing.
 - D. You will be responsible for all freight charges associated with bringing product in by air from point of manufacture at your written request.
3. **PRICES**
 - A. Prices are subject to change without notice; orders are invoiced at the price in effect as of the date of PO acceptance unless quoted otherwise.
 - B. Prices MAY BE subject to adjustments prior to the time of delivery should delivery be delayed by you.
 - C. Prices do not include any sales, use, excise or similar taxes. Any such tax applicable to products covered by a quotation, bid, proposal, or resultant PO and sales order will be billed and paid as separate and additional line items on the invoice.
4. **CHANGES IN DESIGN**
 - A. We reserve the right to modify or change any product in whole or in part at any time prior to the delivery thereof, in order to include therein electrical, mechanical or material refinements deemed appropriate by NEUTRIK but without incurring any liability to modify or change any products previously delivered or to supply new products in accordance with earlier specifications.
 - B. Information contained in our literature and in any other sales or marketing materials circulated by us is merely for reference and for your convenience when ordering products and is not intended to become part of the basis of the bargain.
5. **PURCHASE ORDERS**
 - A. Each PO must be submitted in writing. You will receive written acknowledgement of same PO within two business days of receipt by us.
 - B. Changes to any PO MUST be submitted in writing. Changes will not be considered effective until mutual agreement has been reached between you and us concerning the effect of said changes on any aspect of your PO.
 - C. **Minimum Order \$350.00** per PO or scheduled release.
6. **QUANTITY:** Overruns and under runs of special orders or non-standard items, not to exceed 5% of the amount ordered, shall constitute an acceptable delivery and completion of the order and shall be invoiced accordingly.
7. **TERMS OF PAYMENT**
 - A. **Terms are net 30 days from date of invoice with a 1% discount on PRODUCT ONLY AMOUNT allowed for payment made within 15 days of invoice date. Other deductions from remittances will not be allowed without previous written authorization. DISCOUNTS ARE NOT ALLOWED ON FREIGHT CHARGES.**
 - B. We reserve the right to decline to make or complete deliveries of your order, except when cash or approved credit card is paid in advance of shipment, whenever, in our opinion, there is any question as to your financial status. In such instances we shall not be held liable for non-fulfillment of your PO in whole or in part.
8. **DELIVERY:** Every reasonable effort will be made to ship your PO as acknowledged. We shall not be held responsible for failure of manufacture, shipments or deliveries, or for delays therein, if prevented directly or indirectly by fires, floods, accidents, riots, acts of God, wars, acts of terrorism, governmental interference or embargoes, strikes, labor difficulties, shortage of labor, fuel, power, materials or supplies, transportation delays, customs delays, or any other cause(s) beyond our control whether or not such cause(s) are similar in nature to any of those previously specified. We reserve the right to make complete or partial shipments of the products covered on your PO.
9. **OBsolescence:** We reserve the right to reclassify or regroup products and to improve, modify, replace or discontinue products for any reason, including by way of amplification and not limitation, obsolescence. Every effort will be made to notify customers of product obsolescence, however, we shall not be held liable for damages for failure to deliver product as a result of the foregoing.
10. **WARRANTY:** THE FOLLOWING WARRANTIES AND REMEDIES ARE EXCLUSIVE AND THERE ARE NO OTHER WARRANTIES, ORAL OR WRITTEN EXPRESSED OR IMPLIED, WITH RESEPECT TO ANY PRODUCTS OR SERVICES SOLD HEREUNDER, WHETHER AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER.
 - A. We warrant that products sold will be free from defects in material and workmanship. Only those defects that appear within 180 days of date of shipment to you by us are covered by this warranty.

- B. **Limitation of Remedy:** We limit our obligation to repair or replace, at our option, products which are proven to be defective. The warranties and remedies set forth herein do not apply to products or parts thereof, which may have been subjected to issue (including inadequate maintenance), improper storage or incorrect installation or service not performed by us.
- C. **Limitation of Liability**
- (1) WE WILL NOT, UNDER ANY CIRCUMSTANCES, WHETHER AS A RESULT OF A BREACH OF CONTRACT, BREACH OF WARRANTY, OR TORT, BE OTHERWISE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR EXEMPLARY DAMAGES including, but not limited to, loss of profits or revenues, loss of use or damage to any associated equipment, cost of capital, cost of substitute products, facilities or services, downtime costs, or claims by your customers.
 - (2) OUR LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF THAT WHICH RESULTS FROM OR CONCERNS ANY ASPECT OF THE FURNISHING OF PRODUCTS SHOWN IN OUR SALES OR MARKETING MATERIALS SHALL NOT EXCEED THE PRICE OF THE SPECIFIC PO OR SHIPMENT WHICH GIVES RISE TO THE CLAIM.
 - (3) We will not be subject to any liability, whether in contract warranty, tort or otherwise, or any claim for loss or damage concerning products, parts, advice, assistance or service which we furnished to you as a courtesy.
- D. **Buyer Supplied Specifications** – Notwithstanding anything to the contrary, we make no warranty whatsoever, including but not limited to, any performance or tolerance requirements with respect to products manufactured to your specifications and/or design other than that the product has been manufactured in a good and workmanlike manner.
11. **ERRORS:** We reserve the right to correct clerical and typographical errors on any written notice supplied by us including, but not limited to, quotations, acknowledgements, invoices, and/or product sales or marketing materials, at any time.
12. **RISK OF LOSS:** Damage and risk of loss of any kind or nature after delivery of product to the carrier shall be at your sole risk.
13. **CANCELLATION:** Your PO is not subject to cancellation, except with our written consent and upon terms which will compensate us for all costs which we have incurred or may incur. All requests for cancellation by you must be submitted in writing to us.
14. **CLAIMS**
- A. Any claim for under shipment or mis-shipments must be made to us within five days of the date of receipt of the shipment by you and not later than 10 days after shipment by us.
 - B. All other claims, including warranty or other breaches of this agreement by us shall be made within 45 days of the alleged failure, act, or omission giving rise to such claim, in writing, specifically stating such claim.
 - C. Failure to make such claim within the time periods noted herein shall operate as a bar to the enforcement of any such claim.
 - D. Superior Court of New Jersey – Ocean County, shall have exclusive jurisdiction over any claims.
15. **PRECIOUS METALS, ELEMENTS and MATERIALS**
- A. All pricing shown may be subject to a gold/silver surcharge at any time of shipment. The P. M. Conversion Adder is based on a gold price of \$400.00 per Troy ounce and \$10.00 per ounce of silver.
 - B. The P. M. surcharge will be added if the average price of gold/silver for the calendar week prior to date of shipment (as published in Englehardt Industrial Bulletin) exceeds \$400.00 per Troy ounce for gold or \$10.00 per ounce of silver.
 - C. We reserve the right to implement an additional surcharge against any standard or quoted price based on significant increases to the cost of any commodity material, element or precious metal such as copper, zinc, nickel, etc.
16. **PACKAGING:** All products shall be shipped in standard commercial packaging unless otherwise specified.
17. **INTELLECTUAL PROPERTY:** The product trademarks and service marks identified within are the property of NEUTRIK and us. Any misuse of this property shall be subject to all legal remedies available. Patent laws protect many of the products identified within.
18. **MARKETING POLICY**
- A. The number and type of authorized distributors in each market is selected in order to protect the potential profitability of each authorized NEUTRIK distributor.
 - B. Our management will maintain open communications with your management to insure mutual profitable growth.
 - C. Any published information such as distributor policy, costs, and terms of sale will be applicable to all authorized distributors and includes but is not limited to:
 - (1) Return Material Policy (#19A – C).
 - (2) Protection against loss due to price changes (#20A – C).
 - (3) Terms and Conditions of Sale (#1).
 - D. Our Representatives and Managers will assist in the training of your personnel concerning our products.
 - E. We will assist distributors in the sale of our products by providing:
 - (1) Highest quality products.
 - (2) Competitive pricing.
 - (3) Cash discounts (#7A).
 - (4) Technical information as required.
 - (5) Shipment within two business days of stock items.
 - (6) Co-op advertising – contact us for details.
 - (7) Periodic review of your purchases by our Representatives and Managers, with your manager.
 - (8) Referral of customers in your geographic area for standard stock items in distributor protected quantities as given to your local sales representative.
 - F. When two or more authorized distributors solicit the same account, we will maintain impartiality with respect to each authorized distributor's position with said account.
 - G. Our distributors are expected to:
 - (1) Actively promote the sale of our products.
 - (2) Maintain an inventory of our products that is adequate to serve the needs of your market.

- (3) Permit our Representatives and Managers to conduct periodic sales meetings.
- (4) Allow us to review your inventory periodically.
- (5) Conduct sales efforts conducive to your market.
- (6) Include our products in your sales and marketing materials.
- (7) Maintain your account on a current payment level.
- (8) Provide follow-up on leads provided by us.

H. Termination of Open Account

- (1) We may terminate all business relationships with you for any reason with 30 days written notification.
- (2) If we terminate the business relationship with you, your inventory may be returned subject to the terms noted under RETURN MATERIAL POLICY (see #19).
- (3) You may terminate relations with us at any time.
- (4) If you terminate the business relationship we are under no obligation to accept a return of product.
- (5) At the time of termination all of our open invoices must be paid in full.

19. RETURN MATERIAL POLICY

- A. All requests to return our product must be submitted in writing indicating original PO number, invoice number, date, quantities, and our part numbers. Verbal requests will not be considered.
- B. We may give you permission to return any of our standard catalog items which were shipped to you by us. A full credit for merchandise may be granted based on the following criteria:
 - (1) Material must be returned with the RMA form and number issued by us. Any shipment not accompanied by an RMA number will not be accepted.
 - (2) Material must be returned on a freight pre-paid basis.
 - (3) Credit will be issued at the current published price for the quantity returned or the price in effect on the date of the purchase, whichever is lower, less any discounts taken originally and any applicable re-stocking fee.
 - (4) Material returned must be less than one year old and unused, properly packaged, and in re-saleable condition. Credit will not be issued for opened packages or partially used product.
 - (5) Credit will be allowed only on the exact quantity returned. All counts to be verified by us
 - (6) Material more than one year old (determined by date code or date of PO), non-standard items, or items brought in specifically to fill your order may not be returned.
 - (7) Our inspection report will determine credit to be issued. Any item not in re-saleable condition or rejected by us for stated reason(s) will be returned to you, freight collect, with no credit allowed.
- C. Authorized Stock Rotations, in any calendar year, will be limited to one per year and for an amount up to 5% of the value of the purchases into stock made by you from us during the previous calendar year. Credit to be issued based on the following criteria:
 - (1) All stock rotations must be requested in writing and be accompanied by an offsetting PO of equal or greater dollar value.
 - (2) The request for stock rotation must be made by you and received by us between January 1st and November 30th of the calendar year.
 - (3) All stock rotations should be inspected by our Representatives and Managers to certify that all items are eligible for credit.
 - (4) We will review the list of items to be returned by you and reserve the right to make any adjustments and notify you of same.
 - (5) Obsolete, discontinued and special order items are not eligible for authorized stock rotations.
 - (6) We reserve the right, at our discretion, to disallow any item on your request.
 - (7) In addition, all conditions of #19A and 19B apply.

20. PRICE PROTECTION POLICY: Price protection is granted against price increases or decreases under the following conditions:

- A. When an increase becomes necessary, every attempt will be made to notify you in writing a minimum of 30 days before the scheduled change. No scheduled orders will be accepted during the 30 day period prior to the effective date of the price increase.
- B. Any price decrease announced will be retroactive to include shipments made to you up to 30 days prior to the effective date of the decrease.
- C. Credit will only be issued upon receipt of written request from you within 30 days of the effective date of the price decrease. Information submitted by you must include invoice number, part number and quantity.

21. DECREASED or INCREASED ORDERS

- A. All changes must be submitted in writing by you.
- B. Any order that is decreased from its original quantity will be subject to price adjustment on the remaining quantity on order.
- C. Any order that is increased from its original quantity will be given the appropriate quantity pricing as long as no shipments have been made to you against this order subsequent to the change.