

Altek Standard Terms and Conditions of Sale

1. **Terms and Conditions:** All agreements and purchase orders are subject to Altek's standard terms and conditions of sale unless otherwise agreed to in writing and signed by representatives from Altek and the customer.
2. **Regular Orders:** Purchase orders for a specific item for a specific delivery date is considered a regular order. The customer has the flexibility to purchase multiple products (items) on one purchase order, but regular orders are limited to one release per item. We will do our best to complete exact quantities on Regular Orders but Orders with multiple operations have an opportunity for fall out at each operation, there for order quantities may vary plus or minus 10%. Revisions to scheduled items must be negotiated on an item by item basis. An expedite fee may be assessed when the revision creates additional cost to Altek.
3. **Blanket Orders:** In the event that the customer would like to place purchase orders for an extended period of time, they may do so under a "Blanket Order" agreement. "Blanket Orders" may be negotiated listing a specific number of parts, sell price and time frame. Altek's sell price is subject to material cost increases on "Blanket Orders" and "SMI Orders" (see item 4). Releases may be scheduled with various quantities on a periodic basis providing the quantity is in even multiples consistent with agreed upon packaging criteria. Pricing will be predicated on production of a maximum of 60 days consumption. Blanket order pricing will be reviewed quarterly. Price adjustments may be made to reflect the customer's consumption rates.
4. **Supplier Managed Inventory (SMI):** Supplier managed inventory may be utilized, where appropriate, when the customer desires Altek to maintain a set amount of finished goods that can be released to the customer with short lead times. Altek's pricing will reflect the economics of this service. SMI pricing is conditional upon shipping in full box quantities and is subject to material increases. A separate document will be provided listing the negotiated details of an SMI agreement.
5. **Reschedules:** In the event that there is a need to push-out a confirmed order, Altek may choose one of the following depending on the situation: 1) No raw material has been purchased for the order, then the order can be rescheduled with no economic impact. 2) Raw material has been purchased but production has not begun. The customer will be responsible for a 2-1/2% monthly charge of the value of the order or a 20% restocking fee, plus the cost of shipping, provided the material supplier will accept the returned material. 3) Production has taken place; the customer must take the completed inventory as originally scheduled.
6. **Expedites/Move-in requests:** For orders which production has not begun and the customer requests an expedite, an expedite fee will be assessed providing that Altek is able to accommodate the request and the amount of the expedite fee may vary depending upon the situation.
7. **Sales Tax:** Quoted prices do not include sales tax.
8. **Raw Material Liability:** Blanket orders and SMI orders may necessitate Altek carrying inventories of raw materials or components. These inventories provide stability in pricing and decrease lead-times. Minimum order quantities, imposed by Altek's supplier, may necessitate extra material be acquired on "Regular Orders", Blanket Orders and SMI orders. The customer is expected to assume responsibility for the raw material inventories purchased and not used. A separate document will be provided to the customer that will delineate the maximum liability incurred by the customer as well as a time frame in which this material is intended to be consumed. If the raw material is considered to be "off the shelf" and can be returned to the raw material provider, a 20% restocking fee will be charged to the Customer in addition to other costs such as transportation back to the raw material provider. In the case where the material is unique (custom), the customer will be responsible for the full amount of the raw material cost at the last purchase price.
9. **Force Majure:** Altek shall not be considered in default or liable for any delay or failure to perform its obligations to the extent that such delay or failure arise directly or indirectly out of an act of fire, flood, explosion, war, civil or military authority, strikes, lockouts, slowdowns, picketing boycotts, trade disputes,

quarantine restrictions, delays of carriers or suppliers, governmental action, acts of nature, acts of God, or by any other circumstances beyond its reasonable control and not involving any fault or negligence of the party affected. Nor will Altek assume responsibility for damages, which result from failure to deliver at time specified.

10. **Customer Property Liability:** When Altek retains possession of a Customer's mold or other tool for the convenience of the Customer, Altek will take reasonable steps to protect such mold or tool from theft, damage or destruction from any cause. However, the customer is responsible for such loss and is expected to insure his property against any potential loss.
11. **Design Input:** Altek will provide suggestions concerning design and construction of product and will recommend various types of materials but will not assume any responsibility or liability for these design suggestions or material recommendations if adopted by the customer.
12. **Product Liability:** The customer agrees to indemnify and hold Altek harmless against any loss resulting from infringement of patents or trademarks, or other liability due to use of supplied products or services.
13. **Quality Standards:** Altek does not guarantee warp free or sink free product relative to deviations of standard design practices for injection molding. However, Altek will make every effort to minimize these defects through processing wherever possible.
14. **Injection Mold Texturing:** Mold texturing and related costs are not included in the quote unless otherwise noted.
15. **First Article Acceptance:** First article samples submitted shall be deemed approved if written notice of rejection is not received within two weeks after date of submittal.
16. **Shipping Terms:** All sales shall be FOB Altek unless there is written agreement stating otherwise. Therefore, all claims for breakage, damage and losses should be made directly to the Transportation Company.
17. **Payment Terms:** All terms are net 30 unless otherwise stated on customer purchase order and agreed to by Altek. A service charge of 1-1/2% per month will be applied to past due amounts.
18. **Mold Storage:** Altek agrees to maintain all molds for their ordinary life. Altek will store all tooling free of charge for the customer so providing production of parts is current (manufactured within the last six months). Altek will assess a storage fee for molds that have not been active for 6 months.
19. In the event of a dispute or litigation between Altek and the Customer, the Customer agrees such litigation shall be held in Spokane County Superior Court.

Document History

Date	Rev. #	Description	Approval
4/5/2002	Original	Original version	Mike Marzetta
6/27/2011	A	Simplified Original Version	Mike Marzetta

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