

## Terms and Conditions of Sale – QT Manufacturing

**Seller.** As used herein, “Seller” means QT Manufacturing (including QT Industries LLC and Quality Tool), a Texas corporation.

**Quotations.** A quotation is an offer to sell, is valid only for the 3D CAD model and/or part print on which it was based, and is subject to these terms and conditions, all of which are deemed incorporated therein. Any change to the 3D CAD model and/or part print requires an updated quotation. Quotations are valid for 30 days, after which pricing may change without notice. Seller reserves the right to correct clerical and other patent errors in any quotation.

**Offer and Acceptance.** This document from Seller, together with a valid quotation, contains the entire terms and conditions associated with this transaction. The buyer may accept a quotation by issuing a purchase order or other writing expressing its intention to be bound, or in any other manner acceptable to Seller. Any terms, conditions or writing within such a purchase order or writing addressing the subject matter of this transaction, shall be for the buyer’s internal purposes only and the terms and conditions contained therein shall have no force or effect. Seller objects to any different or additional terms or conditions contained in any request for quotation, purchase order or other writing or document of the buyer, and no such different or additional terms shall be effective or binding upon Seller unless agreed to in writing and signed by an officer of Seller. After Seller accepts an order, Buyer is responsible for any delivery delays or charges, in addition to the original price, due to a Buyer requested change that is agreed to in writing by Seller.

**Delivery; Quantity; Title.** Premium delivery options are subject to review at the time of order. Any stated delivery time represents Seller’s intended or typical delivery time, but actual delivery times may vary. Seller reserves the right to limit quantities at any time. All parts are shipped FCA (Incoterms 2000) at Seller’s facilities in Dallas, TX. Title passes to the buyer at the time and place of delivery to the carrier.

**Price and Terms of Payment.** All prices are quoted and payments shall be made in U.S. Dollars. Payment may be made by credit card, business check, or a form of prepayment acceptable to Seller. Upon request, Seller will consider net 30 terms based on the buyer’s history and credit references.

**Taxes, Duties, Etc.** The buyer shall pay all duties and sales, excise, use or other taxes arising in connection with this transaction (other than taxes based solely on Seller’s taxable income).

**Warranties.** Seller assumes no responsibility for the design of the goods that are the subject of this transaction. To the extent that Seller’s personnel recommend design modifications or provide design analysis, simulation or advice, they do so to

help meet the requirements of Seller's own manufacturing process. The buyer retains sole legal responsibility for the design specifications and performance of the goods that are the subject of this transaction.

**SELLER MAKES NO REPRESENTATION OR WARRANTY, WHETHER EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER WITH RESPECT TO ANY GOODS OR SERVICES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT.**

Without limiting the generality of the foregoing, Seller assumes no responsibility or liability for the selection of any materials for the goods that are the subject of this transaction. The buyer is solely responsible for ensuring that materials selected for goods to be manufactured by Seller meet any regulatory requirements or specifications including but not limited to Directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive) together with any national legislation implementing such Directive, ISO, FDA, UL, CSA, CE, TUV, FCC, NSF, and USP. Any statements made by Seller personnel or specifications provided by Seller regarding materials should be verified by the buyer with the manufacturer of that material.

**LIMITATION OF DAMAGES.** IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND, WHETHER FOR BREACH OF ANY WARRANTY, FOR BREACH OR REPUDIATION OF ANY OTHER TERM OR CONDITION, FOR NEGLIGENCE, ON THE BASIS OF STRICT LIABILITY, OR OTHERWISE.

**Indemnification.** The buyer shall defend, indemnify and hold harmless Seller (and its employees, representatives and agents) from and against all claims, liabilities, losses, damages, penalties, fines and sanctions of any kind (including, without limitation, interest, attorneys' fees and expenses, customs duties, fines, taxes, penalties or any other governmental sanctions of any kind) (i) resulting from or arising out of any breach of any representation, warranty or covenant of the buyer or its affiliates hereunder; (ii) if the buyer has supplied Seller with drawings, designs or other specifications for the goods or services, arising out of any assertion that any goods manufactured by Seller (or the act of manufacturing such goods) according to those drawings, designs or other specifications infringe or misappropriate any patent, copyright, trade secret or other proprietary right; (iii) otherwise arising out of or related to this transaction. It is specifically understood that the buyer shall indemnify and defend Seller and hold Seller harmless from claims that Seller was itself negligent or otherwise at fault. If any action, suit or proceeding is commenced, or any claim, demand or assessment asserted against Seller (or its employees, representatives or agents) which may result in liability with respect to which a party seeks indemnification, then the party shall notify the buyer promptly and the buyer shall have the right at its own expense to assume the entire control of the defense, compromise or settlement. Upon the buyer's request

and at the buyer's expense, Seller shall cooperate fully in such defense and make available to the buyer all relevant information under its control.

**Force Majeure.** Seller shall not be liable for any failure to manufacture, deliver or provide, or for any delay in the manufacture, delivery or provision of, any goods to be provided hereunder if such failure or delay is caused by acts of God, fire, storm, strikes, blackouts, labor difficulties, riots, inability to obtain materials, equipment, labor or transportation, governmental restrictions, serious public health nuisance or any similar cause over which Seller is unable to exercise control. In the event of any shortage of raw materials or other supplies, Seller may allocate materials and supplies among its customers in such manner as Seller may determine in its sole discretion, and shall have no liability to the buyer on account of any delay or cancellation on account thereof.

**Custom Tooling.** As used in this section, "Custom Tooling" means tooling, injection molds, fixtures, and Software (ex. 3D models, prints, etc) developed by Seller. "Custom Tooling" means Tooling developed specifically for the buyer and for which the buyer is separately charged by Seller. Seller will only guarantee the steel dimensions for Custom Tooling projects. Seller will not guarantee the finished injection molded part dimensions. Any modifications to Custom Tooling design or associated software can incur additional costs and added time to delivery dates. Normal maintenance and minor repairs will be performed by the Seller when the Seller is running the Custom Tooling for production. Worn consumables and extensive repairs to the Custom Tooling will be the responsibility of the Buyer. Seller shall not use Custom Tooling in the production of goods for any other customer of Seller without the buyer's express permission.

**Buyer-Supplied Materials.** If Seller agrees to use materials supplied by the buyer, then the buyer shall be solely responsible for supplying and delivering such materials in a timely manner at no cost or expense to Seller, of sufficient quality and in sufficient quantity (including allowances for loss, waste, or scrap that may occur for any reason) as Seller deems necessary to complete its obligations. Seller shall not be liable for, and the buyer shall be obligated to pay any previously negotiated delivery premiums notwithstanding, any failure or delay in delivering any goods to be provided hereunder if such failure or delay is caused by the buyer's failure to supply and deliver such materials in a timely manner or of such quality or in such quantity as Seller deems necessary.

**Text, Illustrations, and Software Files Provided by Seller.** Copyright in files. All intellectual property rights to text, illustrations, software files and other materials ("Materials") provided by Seller to buyer are retained by Seller. Buyer will not, without prior written approval of Seller (which may be withheld for any reason), remove any of Seller's markings or change in any way the Materials.

**International Traffic in Arms Regulations (ITAR):** The buyer agrees to identify ITAR controlled goods in writing to Seller by the time buyer accepts a quotation.

Unless goods are so identified, Seller shall have no obligation to treat them as ITAR controlled goods. Seller will only agree to produce unclassified ITAR controlled goods for shipment to destinations within the U.S. and will not produce ITAR controlled goods for export where the Seller would be required to apply for an Export License of any kind.

**Classified Information.** The buyer represents and warrants to Seller that no information furnished or to be furnished by the buyer to Seller, and no information required to manufacture or sell the goods that are the subject of this transaction, constitutes information classified by the U.S. federal government as confidential, secret or top secret.

**U.S. Export Laws.** The goods that are the subject of this transaction may be subject to U.S. laws restricting the export and re-export of certain sensitive products and technology. These laws include export regulations administered by the U.S. Department of Commerce as well as economic and trade sanctions programs administered by the U.S. Department of Treasury (collectively, "U.S. Export Laws"). By receiving these goods the buyer agrees it is legally responsible for using or distributing these goods in compliance with U.S. Export Laws and that it will comply with these laws, including not selling or distributing the goods to prohibited parties or end users as described in the U.S. Export Laws and obtaining all necessary export licenses or approvals that may be required if the buyer sells or exports the goods to parties or countries for which a license or approval is required. Seller reserves the right to stop shipping or providing goods if the buyer appears on a restricted party list or if shipment requires an export license or otherwise becomes restricted by U.S. law.

**Prohibited Purposes.** Buyer warrants that the goods that are the subject of this transaction: (i) will not be implanted in a human body, and (ii) are not subject to FAA inspection.

**Miscellaneous.** The rights and obligations of Seller and the buyer under this contract shall be governed by the laws of the State of Texas (without regard to principles of conflict of law), including the Texas Uniform Commercial Code. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this transaction. Any suit, action or other legal proceeding arising out of or relating to this transaction shall be brought in a court of record in Hennepin County, Minnesota or in the courts of the United States located in such county. Seller and the buyer each consent to the jurisdiction of each such court in any suit, action or proceeding, and waive any objection which it may have to the laying of venue of any such suit, action or proceeding in any such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. No quotation or contract, or series of quotations or contracts, shall establish any course of dealing or otherwise entitle the buyer to the same or similar terms in any future agreement with Seller. No blanket or similar uncommitted purchase order shall bind Seller, but any instructions issued by the buyer under any such purchase order (whether

written, electronic, telephonic or otherwise) will bind the buyer as fully as if provided in a writing signed by the buyer.

**English Language.** All documents, notices and legal proceedings executed, given or instituted pursuant to or relating directly hereto shall be in the English language, and the meaning of all words and phrases of this offer shall be defined, construed and interpreted in the English language.