



LUMEC STANDARD TERMS AND CONDITIONS OF SALE

LUMEC's documentation of sales terms shall govern all sales transactions. Customer's Purchase Order shall not be binding on LUMEC, and acceptance of Customer's Purchase Order is expressly made conditional on Customer's acceptance of LUMEC's Standard Terms and Conditions of Sale ("Standard Terms") as set forth herein (or as amended and published from time-to-time by LUMEC). LUMEC's Standard Terms may not be varied, except by a writing signed by a LUMEC officer at LUMEC Headquarters. These Standard Terms in conjunction with the applicable LUMEC invoice include all the terms, warranties, and conditions pertaining to each transaction, and can in no way be altered, modified or changed by Customer or by any LUMEC sales agent or sales representative, verbally or otherwise.

- > **ORDER CANCELLATION/CREDIT HOLD.** Cancellation by Customer of any acknowledged order shall be subject to cancellation charges at LUMEC's discretion; if cancellation is desired after LUMEC receipt of approved drawings and release, cancellation charges shall be applied as specifically set forth below. Partial cancellations may affect freight prepayments, and if minimum order size is not met freight shall be billed; additions to orders, which have already been processed, will be considered separate orders for purposes of determining freight charges. LUMEC reserves the right to hold or cancel any order pending the resolution to LUMEC's satisfaction of any Customer credit issue; in the event Customer's credit causes LUMEC to notify Customer of possible order cancellation or hold, unless Customer pays cash in advance or makes other arrangements satisfactory to LUMEC, if the order is cancelled customer shall be deemed in breach and all cancellation charges, up to and including the full price of the order, shall apply.

- > **QUOTATION PRICE PROTECTION.** All prices are subject to change without notice. Federal, State and/or local Sales taxes are not included in published or quoted prices. All quotations, bids, contracts and orders are subject to the final written approval, acceptance and/or confirmation by LUMEC, in accordance with these Standard Terms. Quotations will be valid for a period of thirty (30) days. Confirmed prices on deferred or hold orders will be valid for ninety (90) days.

- > **PAYMENT TERMS.** Terms are 1% 10-25, net 30. To take advantage of the 1% discount, payment must be made as follows: for invoices dated from the 1st to the 15th, the payment must be made at the latest on the 25th of the same month; for invoices dated from the 16th to the 31st, the payment must be made at the latest the 10th of the following month. Otherwise, payment is net 30 days. Postmark will determine allowable cash discount. 1½% monthly service charge will apply to all past due accounts. The Customer will be liable for all legal fees incurred by the LUMEC in the event that legal action is required to collect any amount owing to LUMEC past due accounts under these Standard Terms, including legal fees associated with efforts to collect past due accounts.

- > **FREIGHT AND FREIGHT CLAIMS.** All sales are F.O.B. factory, freight prepaid and allowed on orders of \$5,000 or more to the nearest destination served by a common carrier (off-loading not included) within Canada and the 48 contiguous United States; on orders of \$5,000 or more to Yukon, Nunavit, and Northwest Territories, LUMEC will prepay the freight to the designated unloading point served by a common carrier. Routing and mode of transportation will be determined by LUMEC, unless otherwise specified and requested by the Customer, in which case the Customer shall assume any and all additional charges. Shipment must be unloaded promptly as LUMEC will pay no demurrage. The Customer must inspect the merchandise upon delivery and report any apparent error or defect to LUMEC within ten (10) days of said delivery. Should the Customer fail to do so, it shall be conclusively presumed that the products were delivered in accordance with the contract. Damage to, or loss of any goods in transit must be noted on the carrier's delivery freight bill. LUMEC will provide the Customer with whatever assistance is needed in order for Customer to file a claim with the carrier. However, Customer may not withhold payment pending carrier settlement. Customer must reorder any replacements needed and such reorder shall be subject to all Standard Terms contained herein.

- > **SHIPMENT/DELIVERY.** All shipment/delivery dates on LUMEC quotes, acknowledgements, or otherwise are LUMEC's best approximation of probable shipment/delivery dates and are not guaranteed. Shipment and delivery are subject to delays due to any condition or happening whatsoever beyond the reasonable control of LUMEC, including but not limited to inadequate transportation services, inability to secure raw materials or supplies, fuel, or power, fire, flood, windstorm, or other acts of God, strikes, lockouts, or other labor disturbances, orders or acts of any authority, or any cause of similar or different kind. LUMEC shall not be liable for costs, expenses or damages incurred by any party due to shipment or delivery after estimated date.

- > **MINIMUM ORDER.** The minimum acceptable order is \$300 book price, with the exception of orders for replacement parts, which carry a \$100 minimum. Special or custom orders are subject to higher minimums at LUMEC's discretion.

- > **RETURNS.** Orders accepted by LUMEC for customized, modified or specifically produced items are non-cancelable and said items are non-returnable. All requests for the return of standard product must be made within ninety (90) days of the date of invoice, and will only be accepted if in resaleable condition. No product(s) will be accepted for return unless accompanied by a Return Goods Authorization issued by the Sales Coordinator only. A minimum 35% restocking and reworking charge, plus full freight, will apply to all returns.



- > **CANCELLATION/CHANGE ORDER CHARGES.** After receipt of approved drawings and release of the order the following charges shall apply:
 - Standard products: 35% of selling price.
 - All LMS products and Custom products: 100% of selling price.

The following minimum fees will apply in case of product modification after an order has been released and scheduled:

- 2 weeks after release – 10% of order value.
- 4 weeks after release – 20% of order value.
- 6 weeks after release – 50% of order value.
- 1 week prior to shipment – no modification will be accepted without a complete price revision up to entire cost of affected product(s).

NOTE: Any change order will automatically involve a reschedule of the shipment date and freight minimums may be affected (allowed freight may be cancelled or adjusted).

- > **LUMEC WARRANTY.** See separate document entitled "Lumec Product and Surface Finish Warranty," which is incorporated herein by reference.
- > **APPLICABLE LAW.** These Standard Terms shall govern all sales by LUMEC; the law applicable to sales into the United States under these Standard Terms shall be Article 2 of the Uniform Commercial Code as applicable in the state of destination. The United Nations Convention on Contracts for the International Sale of Goods is hereby excluded and shall not apply.