

THE SPECIALTY MFG. CO.

Terms and Conditions

Effective Date: December 2024

Sale Agreement: The Specialty Manufacturing Company (“Specialty”) agrees to sell the Product to any buyer (“Buyer”), and Buyer agrees to purchase the Product set forth in any quotation, purchase order, order confirmation, order acknowledgement, or any other written purchase agreement, all of which shall be governed by these Terms and Conditions. These Terms and Conditions shall prevail over any conflicting or additional provisions unless Specialty has expressly agreed otherwise in writing.

Rejection of Other Terms: Specialty specifically rejects any provisions of any previous order, offer, or other communication from Buyer that are additional to or different from the terms stated in this agreement. Neither Specialty’s delivery of the Products nor any other action taken by Specialty at any time shall constitute acceptance of such additional or different terms. Buyer shall be bound by all the terms of this Agreement, which shall prevail over any terms and conditions proposed by Buyer. Buyer’s acceptance of these Terms and Conditions may be indicated by any statement, act, or course of conduct that constitutes acceptance under applicable law. This includes failure to object in writing within a reasonable time or acceptance of delivery of the Products. By accepting these Terms and Conditions, Buyer expressly agrees that no collateral contracts, terms, conditions, warranties, or undertakings exist between Buyer and Specialty.

Acceptance by Specialty: For any purchase order submitted by Buyer for Specialty products to be valid, it must be approved in writing by Specialty.

Products: The Products subject to this agreement shall be those identified by Buyer in its written request for quotations or purchase orders.

Purchase Price: The price for the Products shall be the price set forth in Specialty’s written quotation or sales order acknowledgment delivered to Buyer. Such prices shall be in effect only for the specified time period and/or quantity of Products stated in Specialty’s quotation or sales order acknowledgment. If no time period or purchase quantity is specified in the quotation, the quoted prices shall be in effect for thirty (30) days and any Products ordered by Buyer within that period.

Raw Material Supply. All prices, including those for Products subject to a purchase order submitted by Buyer and accepted by Specialty but not yet delivered, shall be subject to change if any raw material costs

related to the manufacture of the Products increase due to any event beyond the reasonable control of Specialty. This includes industry-wide shortages of any raw ingredient or material.

Raw Material Prices. Prices are quoted based on current raw material and outside service prices. Prices may be adjusted, up or down, and locked in at the time the order is placed, in accordance with changes in copper rates, petroleum rates, and raw material prices.

Expedites or Changes. Prices are based on the provided build volumes. Price and/or lead time may be re-quoted if purchase order release quantities or schedule differ from the quoted quantities. In the event Buyer requests a change in either quantities ordered or shipment schedule, Specialty reserves the right to change prices applicable to the Product as a result of such a change.

Errors. Clerical errors may be corrected by Specialty.

Order Changes, Cancellations and Materials

Charges: Specialty’s quotation is provided in accordance with the specifications provided with the quotation. Any exceptions to the specifications must be submitted by Buyer and agreed upon by Specialty in writing. Prices are based on the quoted quantities, and any cancellation or rescheduling of orders may result in material price increases or cancellation charges to Buyer. **Expedited**

Material. Specialty may be required to pay premium prices on materials to meet Buyer’s scheduling requirements. Any changes to material pricing to meet Buyer’s schedule requirements will be passed on to Buyer.

NCNR Material. All non-cancelable non-returnable (NCNR) components are considered the customer’s responsibility and will be shipped and billed to the customer as per the prior agreement. Any changes to the Product that include NCNR materials will be fully charged to the Buyer.

Order Change or Cancellation. A Product order cannot be canceled or modified within ninety (90) days of any scheduled shipment date or after the Products have entered the work-in-process stage, whichever occurs first. Any cancellation or modification at this stage will be at the Buyer’s expense, including payment for labor, inventory, and

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all NCNR raw materials ordered specifically for the manufacture of the Products.

Shipment, Delivery and Terms of Acceptance:

Packaging. No additional charge is made for standard commercial packaging, unless otherwise stated in the quotation notes. Any additional packaging requirements will be quoted as an additional charge. All products will be tested and packaged according to industry standards unless otherwise specified.

Shipment. Specialty will make commercially reasonable efforts to ship the Products as scheduled. Unless otherwise agreed to by Specialty, prices quoted are based on Incoterms 2020 EXW (Ex Works) at Specialty's factory. The carrier will be deemed the Buyer's agent, and any claims for damage in transit must be made by the Buyer against the responsible carrier. Specialty assumes no responsibility for insuring shipments unless specifically requested by the Buyer at the Buyer's expense.

Title to Products, Risk of Loss. Title to and all risk of loss concerning the Products shall pass to the Buyer upon delivery to a common carrier or any private carrier designated by the Buyer for shipment. Buyer's rejection of any Products shall not shift such risk until the Products are returned to Specialty.

Delivery Delay for Cause. Shipping dates are approximate and not guaranteed. Specialty shall not be liable for any delays in delivery or any failure to deliver due to causes beyond Specialty's control, including but not limited to Acts of God, war, riots, embargoes, domestic or foreign government regulations, fires, floods, strikes, lockouts, or other labor difficulties, machinery breakdowns, shortages of materials, transportation, fuel, energy, or raw materials. In such cases, no claim for loss or damage will be allowed to the Buyer.

Inspection and Acceptance. Buyer shall inspect all shipments upon arrival and notify Specialty in writing of any shortages or other failures to conform to this Agreement that are reasonably discoverable upon arrival. Failure to notify Specialty of any nonconforming shipment, including shortages, incorrect parts, or other inconsistencies between the shipment and the enclosed packing list or invoice, within thirty (30) days of receipt of the shipment, shall

be deemed an unqualified acceptance of such shipment. Specialty shall be given a reasonable opportunity to inspect the Product upon receiving a complaint from the Buyer.

Product Return and Restocking:

Return Eligibility – Products may be eligible for return if they meet the following criteria: Returned within 90 days from the date of delivery. Must be in new, unused condition with no signs of wear, damage, or alteration.

Must include all original packaging, manuals, accessories, and parts. Specialty holds the right to determine which products are not eligible for return.

Condition and Packaging Requirements: Products must be returned in their original packaging. Items must be securely packed to prevent damage during return shipping. Any missing components, damaged parts, or altered products will be rejected or subject to additional fees.

Restocking Fees: A restocking fee of 30% will be applied to all approved returns. The restocking fee covers inspection, repackaging, and administrative costs. Restocking fees are waived for returns due to Defective products or shipping errors by Specialty Manufacturing. The fee can also be waived if a replacement order is pending or has already been received.

Order Cancellation Policy: A Product order cannot be canceled or modified within ninety (90) days of any scheduled shipment date or after the Products have entered the work-in-process stage, whichever occurs first. Any cancellation or modification at this stage will be at the Buyer's expense, including payment for labor, inventory, and all NCNR raw materials ordered specifically for the manufacture of the Products.

Return Process: (1) Request Authorization: Contact our Customer Service or Sales Representative to request a Return Merchandise Authorization (RMA) number. Returns without an RMA number will not be accepted.

(2) Shipping the Return: Customers are responsible for return shipping costs unless the wrong item was shipped. If product is determined to be defective, shipping costs will be reimbursed. Include the RMA number on the shipping label.

(3) Inspection and Refund: If the product meets the return criteria, a refund will be issued minus the restocking fee. Refunds will be processed through the original payment method

(4) Return Window: Product authorized for return must be returned within 90 days of approval. If the return is not

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received within this time frame, the RMA request will expire. If replacements have already shipped, the customer will be responsible for the cost of those replacements

Damaged or Defective Products: Products that arrive at the customer damaged or are defective must be reported within 30 days of delivery. Contact Customer Service to arrange a replacement or full refund without any restocking fee.

Product Warranty

Limitation of Warranty. Specialty agrees, represents, and warrants that the Product delivered hereunder shall be free from defects in material and workmanship for a period of twelve (12) months from the ship date. This warranty applies to the Product itself and the workmanship incorporated in the installation of such items in the final product but does not apply to Product purchased by Specialty unless they are manufactured pursuant to Specialty's design.

Exclusions of Warranty. Specialty's limited warranty obligations shall terminate and shall not apply in any case where any alleged Product failure or other breach of warranty was necessitated or caused in whole or in part by: (i) catastrophe, fault, or negligence of the Buyer; (ii) operation or use of the Products in violation of applicable laws or regulations, including ISO or other governing body specifications; (iii) improper or unauthorized use; (iv) unusual stress; or (v) power failure.

Additional Warranty. If Specialty provides the Buyer with any other specific written representation or warranty, executed by an authorized employee of Specialty, regarding the composition of a Product, the manufacturing methods used, or the use of hazardous chemicals, such warranty shall be limited to the specific terms contained therein and subject to the limitation of remedies described.

Credit and Terms of Payment.

Unless otherwise expressly agreed in writing by Specialty, payment in full is due within thirty (30) days from the invoice date. Specialty reserves the right to alter or revoke credit terms at any time without notice. Each shipment shall be considered a separate and independent transaction for which payment is due. Late payments will incur the higher of a 1.5% per month interest charge or the maximum allowable

interest rate under applicable law. Any fees incurred by Specialty for collection actions are the responsibility of the buyer. This includes, but is not limited to, attorney fees, court costs, and collection agency fees

Sales and Similar Taxes; Shipping Costs;

Insurance. Quoted prices for the Products do not include sales, use, excise, or similar taxes, as well as any shipping, delivery, or insurance costs.

Payment of Undisputed Invoices. Invoices rendered by Specialty covering Products that are not in dispute shall be paid by the Buyer, regardless of any disputes relating to other invoices. Buyer waives the right to assert offsets or counter claims with respect to such invoices.

Security for Payment of Purchase Price: Buyer hereby grants Specialty a security interest in the Products and proceeds thereof to secure payment of the purchase price of the Products and all of Buyer's related and incidental obligations to Specialty. Upon Specialty's request, Buyer shall execute suitable financing statements for filing. Specialty may file this Agreement as a financing statement.

Security to Product. Specialty retains a security interest in any and all Products until such Products are paid for in full. In the event of default in the payment of the purchase price, Buyer agrees to permit the repossession of the Products by Specialty and to pay all costs associated with such action, including actual attorneys' fees. Furthermore, in the event of Buyer's default or if, in the judgment of Specialty, there has been a material adverse change in Buyer's financial condition, any and all amounts owing to Specialty shall become immediately due and payable.

Default; Non-Waiver. In the event Buyer: (a) defaults in payment of any sum due to Specialty, (b) files for relief under the Bankruptcy Act, (c) has an involuntary petition filed against Buyer which is not dismissed within thirty (30) days, (d) is adjudicated bankrupt, (e) makes an assignment for the benefit of creditors, Specialty may, in addition to any and all other remedies provided by law: (suspend in transit any shipment of product (whether or not pursuant to this Agreement), decline to make further shipments, postpone any further performance under this

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Agreement or any other agreement with Buyer until such default is corrected, immediately cancel this Agreement, declare all amounts owed by Buyer under this or any other agreement to be due and payable immediately, and/or exercise all rights of a secured party. If Specialty elects to repossess any Product, Buyer shall permit Specialty, with or without legal process, to enter all premises where the Products are located to remove or take possession of the same. Ten (10) days' advance notice of any intended disposition of repossessed Products shall be deemed reasonable.

Limitation of Remedies.

Specialty shall have the right, at its option, either to replace or repair defective Product or to credit the Buyer the purchase price applicable thereto. The foregoing remedies of replacement, repair, or credit shall be Buyer's sole and exclusive remedies for any breach of this agreement by Specialty. In the event that Specialty fails to make an effective choice as to remedy, Buyer's sole and exclusive remedy shall be to return any Product purchased under this agreement and obtain a refund of the purchase price of said Product. All such returns shall be made by surface transportation at Specialty's expense. In no event shall Specialty be liable to Buyer for any incidental or consequential damages arising from any breach of this agreement or from any delay or default in delivering the Product sold hereunder, regardless of cause, or from the failure of such Product to correspond in any manner to any description or specification applicable thereto. Specialty's liability is limited to the invoice price of the alleged defective Product. In no event shall Specialty be liable upon the resale of any Product specified herein. The burden is upon the Buyer to establish that any rejection or revocation of acceptance of any Product is not wrongful.

General Provisions

Applicable Law. The validity, performance, and construction of this Agreement shall be governed by the laws of the State of Minnesota, without the application of its conflict of law provisions.

Assignment. Buyer may not assign this agreement without Specialty's prior written consent. Specialty may assign all or any part of its rights and/or obligations

under this Agreement to any Specialty subsidiary or any unrelated subcontractor without Buyer's consent.

Modification and Waiver. No purported amendment, modification, or waiver of any provision hereof shall be binding unless set forth in writing and signed by an officer of Specialty and an officer of Buyer. Any waiver shall be limited to the circumstance or event specifically referenced in the written waiver document and shall not be deemed a waiver of any other term of this Agreement or of the same circumstance or event upon any recurrence thereof. The failure of Specialty or Buyer to enforce any provision of this Agreement at any time shall not be construed to be a waiver of such provision nor of the right of Specialty or Buyer thereafter to enforce such provision.

Severability. If any provision hereof is held to be unenforceable by a final order of any court of competent jurisdiction, such provision shall be severed here from and shall not affect the interpretation or enforceability of the remaining provisions hereof.

Indemnification.

As between Buyer and Specialty, Buyer agrees that it shall be exclusively responsible for any damage to property or death or injury to persons that are caused in whole or in part by any device, machine, or other article into which the Product is incorporated as a component by the Buyer or by anyone purchasing the Product from the Buyer. Buyer shall defend, indemnify, and hold harmless Specialty and its officers, directors, employees, shareholders, and agents from and against any liability for such damage, death, or injury, regardless of whose negligence is alleged to have caused the same and regardless of whether Specialty might be held strictly liable for the same. Specialty assumes no liability for, and Buyer agrees to defend, indemnify, and hold Specialty harmless from and against any claims of patent infringement or the like resulting from Specialty's compliance with Buyer's specifications.