

TERMS AND CONDITIONS OF SALE

It is generally recognized that even after employing all the science known to us, and capable employees with years of training, there still remain variables in the electroplating and metal finishing fields. Therefore, in order to avoid misunderstandings, the Chicago Metal Finishers Institute has restated the following Terms and Conditions as the custom and usage of the trade.

1. We warrant that processing and finishing shall meet customer's specifications supplied in writing with the order and that such processing and finishing shall be free from defect in workmanship. If the customer specifies methods and procedures to be followed, we will assume no responsibility for the correctness of such methods and procedures or the result when they are followed. In the absence of full disclosure by the customer of the use of material or parts to be processed and finished, we assume no liability for subsequent failures or defects.
2. Our liability for any cause is limited to the cost of direct labor and material of product loss or directly damaged by our processing or two times our processing charges on such material, whichever is the lesser. Our charges are based on this policy limiting liability.
3. No claim for shortage in weight or count will be allowed unless made in writing and presented or mailed within three (3) working days after receipt of material or merchandise by the customer or the customer's consignee to whom it was delivered, provided however, a shrinkage of quantity in processing of two (2%) percent.
4. Any material or merchandise found, upon inspection, to be improperly processed by us will be refinished without charge provided:
 - 1) That notice of defect is given in writing within three (3) working days from the date of delivery.
 - 2) That we are given the opportunity to inspect the material or merchandise prior to return.
 - 3) That materials or merchandise returned are in the same condition as when originally delivered by us.Processing or assembly of any such rejects by you or any other party shall constitute a waiver of any liability on our part.
5. We assume no liability for any loss or damage to merchandise or material while in transit to or from our factory, whether in trucks or vehicles owned by us, the customer, or any third person acting in our or the customer's behalf.
6. Imperfections, changes in grade or composition of materials, manufacturing and/or fabrication imperfections, usages for which the plating or other finishing operation was not reasonably designed, and similar variables over which we have no control, the customer would be required to pay the contracted amount for the finishing operation performed.
7. We reserve the right, at our option, either to reject work or to make an extra charge for finishing any base metal below our agreed standard.
8. We assume no responsibility for defective plating or other finish on materials or merchandise previously plated or finished by others.
9. We shall not, under any circumstances, be considered as an insurer of customer's material or merchandise and shall not be liable, regardless of cause for loss by fire, explosion, theft, pilferage, vandalism, casualty or acts of God while such material or merchandise is in our possession. The provisions of this section may be altered or modified by separate written agreement and any liability we assume be covered by a separate charge for such coverage.
10. Quotations are open for acceptance thirty (30) days from issuance. After thirty (30) days, prices and terms are subject to change without notice, unless otherwise specified.
11. All quotations, orders, or agreements, or modifications thereof, are contingent upon and subject to any and all occurrences beyond our control, including but not limited to, strikes or boycotts (whether occurring at our facility, your facility, the plant or factory of any supplier, either of the customer or of ourselves, or elsewhere), accidents, thefts, fires, war, shortage of materials, or equipment, casualty, or acts of God, and we shall not be liable for failure to perform any agreement for such causes.
12. For special or experimental processing and finishing, our charges are not contingent upon the success of the work or the benefit derived therefrom by the customer.
13. Deliveries made by us within the quoted turn around time specified shall be deemed in full compliance with our agreement. We reserve the right to make partial or installment deliveries, for which the customer shall pay at the contract price. Defective delivery or non-delivery with respect to any installment or partial delivery under this contract shall be a severable breach and shall not give the customer the right to treat the entire contract as breached.
14. Special tools, racks and fixtures required for the performance of the work herein described which have been designed and/or built by us shall be and remain our property whether or not the customer is charged with time and/or material in connection therewith.
15. In the event of customer's cancellation of order, the customer shall reimburse us for the work completed and work in progress and for tooling and engineering expenses incurred in connection with such order.
16. All customer's merchandise in our possession shall be subject to a general lien for all monies owing by the customer to us, whether or not due or payable, and whether or not such monies are owing to us for work, labor or services rendered, or materials or equipment used in connection with such merchandise.
17. During storage and transportation of customer's material or merchandise, customer's containers used for delivery to us shall be used for reshipment and any damage resulting from the use of such containers shall be at the customer's risk. Should customer desire other packaging or containers, we will charge for material and handling and will provide such service upon receipt of a written order.
18. Invoices unpaid on due date shall be considered delinquent and thereafter subject to a FINANCE CHARGE computed by a single monthly periodic rate of 1% being an ANNUAL PERCENTAGE RATE OF 12%.
19. The provisions of the Uniform Commercial Code shall govern unless these Terms and Conditions provide to the contrary and the laws of our state of domicile shall govern all interpretation of the terms of the transaction between the parties.
20. The provisions hereof constitute the entire agreement between the parties. Any changes, alterations, waivers, or modifications with respect either as to the job performed or the terms of the sale, or any other matter set forth herein must be in writing and signed by a duly authorized representative of our company. These terms and conditions shall apply to this and any future order or agreement for the processing of any materials or merchandise.

Supplier Quality Requirements

Purpose: to provide additional emphasis on certain quality management system requirements pertaining to suppliers of raw materials or processing services for NAEN.

Suppliers must:

- Establish a formal Quality Management System
- Not deviate from product requirements, material specifications/designated sources or manufacturing processes employed at the time of initial part approval without North American Electroless Nickel's approval.
- Maintain accountability for all products, including: revision status of all parts/components, traceability to date of manufacture and material used, and specific records of nonconforming product disposition *completion*.
- Maintain positive physical control and Identification of nonconforming product designated as scrap until physically destroyed.
- Not apply a "use as is" disposition to nonconforming product without written approval from North American Electroless Nickel.
- Report to North American Electroless Nickel, on the same day of discovery, any situations where it is discovered after-the-fact that nonconforming product was inadvertently shipped.
- Prevent the use of counterfeit parts or substances.
- Apply nonconforming product controls to product with shelf-lives, consistent with those or, as a default, to such product more than 1 year old.
- Retain Inspection records with traceability to the specific related product for a minimum of 10 years after the date of manufacture.
- Provide a legible copy of actual Inspection results with each shipment if requested.
- Ensure stock rotation.
- Inform North American Electroless Nickel prior to acceptance of any order for a new or existing part of any gaps in the information provided by North American Electroless Nickel that could result in the supplier producing any product or failing to meet any other requirements expected by/defined by North American Electroless Nickel.
- Accurately and completely communicate in writing all pertinent North American Electroless Nickel requirements to sub-suppliers, including key characteristics, critical items, and special requirements, or other "flow downs" applicable to the subcontracted activity.
- Assume direct responsibility for the performance of sub-suppliers and have/use data for related performance assessments.

- Periodically check the condition of any production equipment or tooling used on aerospace parts while the equipment or tooling is in storage and exercise proper controls over inactive equipment/tooling being stored.
- Accommodate reasonable requests by North American Electroless Nickel or customer representatives for whom you supply product and/or other regulatory authorities' access to your facilities and product-related records.
- Adhere to export/import requirements per as ITAR and related Export Laws and Regulations, Federal Acquisition Regulations (FAR) and Department of Defense FAR Supplement (DFARS), including Security Requirements.
- Ensure that personnel involved with product are aware of their contribution to product/service conformity, product safety, and the Importance of ethical behavior.

Original Issue: 02/06/2019

Revised: 10/31/2019

By: Purchasing