



TERMS AND CONDITIONS.

- CUSTOMER ORDER:** Customer may accept the attached Selcom Quotation by issuing a Purchase Order (PO) in response to such Quotation. Customer shall be deemed to unconditionally accept these terms and conditions by issuing such PO. No terms and conditions specified or preprinted on any Customer PO or other form of acceptance shall add to or modify these Terms and Conditions. Provided that the PO meets these Terms and Conditions, Selcom will in turn confirm receipt of such PO by issuing a Sales Order Confirmation.
- PRICES AND TAXES:** All Quotations are valid for thirty (30) days unless otherwise specified. Prices do not include applicable taxes, and unless expressly identified and itemized, do not include freight, handling or insurance. Products, Maintenance or Services purchased for delivery outside of Canada may be subject to required and non-recoverable Value Added Tax or similar indirect sales related taxes. Customer hereby agrees to reimburse Selcom for the total amount of such costs incurred which will be invoiced as an international logistics fee.
- PAYMENT AND INVOICING TERMS:** Payment in full of all invoices is due within the terms specified in the Quotation or by default referenced from the date of the invoice. Payment terms are subject to the Customer maintaining a credit status acceptable to Selcom. Selcom has the right to charge a late payment fee of two percent (2%) per month for any outstanding balance of any invoice which remains unpaid beyond its due date. The Customer will pay collection fees incurred by Selcom to effect the settlement of any past due invoice.
- SHIPPING AND DELIVERY:** All shipments from Selcom are F.O.B. unless otherwise specified in the Quotation. Title and risk of loss to Products shall pass to Customer upon receipt by the Shipper. Unless otherwise specified in the Quotation, the Customer is responsible for all freight, handling and insurance charges. The Shipper is not an agent of Selcom and in no event shall Selcom have any liability for loss or damage during shipment. Selcom shall endeavor to initiate shipment and schedule delivery as close as possible to Customer's requested delivery dates and Customer acknowledges that any delivery dates provided by Selcom are estimates only. Selcom shall not be liable for any delay in delivery or for failure to give notice of such delay. Customer shall accept and pay for partial shipments of Products. Additional fees may be levied if expedited delivery is requested.
- CANCELLATION OF ORDERS:** No Customer Order for Products may be cancelled or modified without Selcom consent. If Selcom consents to a Customer cancellation or modification request, Customer agrees to pay all actual costs, expenses and fees incurred by Selcom including non-cancellable material orders yet to be received by Selcom. Customer Orders for Services may be cancelled upon ten (10) days prior written notice. Customer will pay for all Services completed up to and including the date of cancellation.
- CUSTOMER SUPPLIED MATERIALS:** Selcom will be responsible for all extraordinary loss or damage to Consigned Inventory and Customer Equipment located on Selcom premises. All remaining Consigned Inventory and Customer Equipment will be returned to Customer upon completion of the project. Provided that there is a reasonable amount of prior notice, Customer will have access for checking of any Consigned Inventory or Customer Equipment located at Selcom premises. Selcom will not permit any liens to be placed on any Consigned Inventory or Customer Equipment. On partially consigned projects, where both Selcom and the Customer will be supplying Inventory, the Customer agrees to deliver all consigned goods on or before the date specified on the Sales Order Confirmation document. Should the Customer fail to deliver the consigned goods by this date, Selcom reserves the right to invoice the Customer for all goods purchased by Selcom on the expected delivery date specified on the Sales Order Confirmation Document.

Parts are to be clearly identified. Quantities shall include sufficient spares to allow for occasional loss of parts during machine set up. Cut tape must include a minimum of 6-10 cm of tape with parts to allow for machine set up and placement issues. Shortages may result in a delayed delivery and may incur additional charges. Content labels on packaged parts and reels will be checked against the BOM but no actual individual part counts or measurements will be taken. It will be assumed that Customer has done due diligence in providing correct parts as reflected on the package labels. Wrong Customer supplied parts that have to be replaced after manufacture of Product will incur additional charges. Selcom will not knowingly use the wrong part. All SMT parts must be on machine pickable tape, reel, tubes or trays. All moisture sensitive parts are to be appropriately marked, packed



and sealed. Any moisture sensitive parts packages previously opened must include either the time they were exposed outside of the package or the time remaining for use outside of the package. If such markings are not present, the Customer will be consulted as to whether reconditioning is required. Reconditioning of expired moisture sensitive parts in previously opened packaging will incur additional charges. Customer will be consulted before such reconditioning is performed.

- 7 **MATERIALS PROCURED ON CUSTOMERS BEHALF:** Selcom will purchase materials on Customer's behalf based solely on the Customer supplied Bill of Materials (BOM). The BOM will be the sole reference for correct part information unless otherwise agreed upon in writing between Selcom and Customer. Other Customer provided files such as machine Pick and Place files will not be used for part purchases. However, the Customer should ensure there is a good relationship between all files provided in order to reduce the amount of time spent by Selcom to ensure a viable Product manufacture and to prevent unnecessary charges for such work. Any substitutions by Selcom will require Customer approval prior to purchase. Undue delays in this approval process could delay Product delivery and could incur additional charges. Quantities purchased will be in economical reel lengths or piece parts depending on best practice purchasing decisions. For optimal savings, Customer will inform Selcom of any discounts that Customer has available from their distributors.

Selcom assumes the risks associated with the purchase and storage of Inventory associated with the Customer Order. The Customer may request to have the Inventory removed from Selcom but must pay value price for the remaining balance of Inventory before delivery. Notice of 30 days is required prior to such removal. Selcom will maintain excess Customer Inventory (parts remaining after the completion of a current Customer Order) provided that PO's have been received for future orders (up to 3 months in advance) of the same Product. If this Inventory becomes stagnant with no further PO's, at the sole discretion of Selcom, the Customer will be required to purchase this excess Inventory and accept delivery of such. Selcom will provide 30 days notice of such action. If valid PO's continue to be provided and accounts are up to date, Selcom will maintain that excess Inventory.

- 8 **RETURN POLICY:** All sales are final. Products that do not meet Customer provided manufacturing specifications can be returned using an approved Return Material Authorization (RMA) procedure. Product not useable because of design faults are not returnable. Customer must notify Selcom of any damaged or nonconforming Products or discrepancy in shipment quantity or type and request an RMA within 30 days of receipt. No return of Products will be accepted without an RMA. Customer must ship such Products prepaid to the RMA specified Selcom location. Selcom will reimburse Customer's reasonable shipping costs for Products returned for repair if Selcom at its discretion has determined that a manufacturing defect occurred. Selcom shall have the right to reject acceptance of returned Product and/or impose additional charges for any Product received without an RMA and/or in a condition other than described.
- 9 **RESEARCH AND DEVELOPMENT:** Customer and Selcom agree that all of the research and development undertaken by Selcom in the course of fulfilling Selcom's obligations under this Agreement shall not be construed as having been undertaken or developed by Selcom as an agent of, for, or on behalf of the Customer. For greater certainty, the Parties further agree that all of the research, procedures, methodologies, techniques, and expertise developed, undertaken or acquired by Selcom under this Agreement shall belong to the business of Selcom Industries Inc. and shall be construed as being independent of, and entirely unrelated to, the business of the Customer.
- 10 **LIMITATION OF LIABILITY:** NOTWITHSTANDING ANYTHING ELSE HEREIN, ALL LIABILITY OF SELCOM UNDER THIS AGREEMENT OR OTHERWISE SHALL BE LIMITED TO MONEY PAID TO SELCOM UNDER THIS AGREEMENT DURING THE THREE (3) MONTH PERIOD PRECEDING THE EVENT OR CIRCUMSTANCES GIVING RISE TO SUCH LIABILITY AND IN THE CASE OF DAMAGES RELATING TO ANY ALLEGEDLY DEFECTIVE PRODUCT SHALL, UNDER EITHER LAW OR EQUITY, BE FURTHER LIMITED TO THE PURCHASE PRICE PAID BY CUSTOMER FOR SUCH PRODUCT. IN NO EVENT SHALL SELCOM BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOST PROFITS, OR LOST DATA, OR ANY OTHER INDIRECT DAMAGES EVEN IF SELCOM HAS BEEN INFORMED OF THE POSSIBILITY THEREOF.



- 11 **GOVERNING LAW:** All transactions made under this Agreement will be governed by the applicable laws for the Province of British Columbia, Canada. Any dispute regarding this Agreement shall be subject to the exclusive jurisdiction of the applicable court in British Columbia.