



TERMS AND CONDITIONS

Unless otherwise agreed by the parties in writing, the following terms and conditions shall be binding upon the parties:

1. Only written orders signed by KNF (hereinafter referred to as Buyer) shall be binding upon Buyer.
2. Seller's acceptance and execution of the Order constitutes acknowledgement of the specifications and terms required by Buyer. No changes shall be made in such specifications and terms except by written notice, signed by the Buyer.
3. If Buyer's specifications and terms require testing of material, said test(s) shall be conducted on Seller's premises at Seller's expense, and Buyer shall be informed immediately of the test results. Seller shall remain liable for any defect or nonconformity in material which manifests itself subsequent to testing.
4. Buyer's delivery terms are mandatory and Seller shall be liable for any damages resulting to Buyer from deviation from said terms or from delay in delivery including Buyer's incidental and consequential losses. Seller shall inform Buyer immediately of any delay.
5. Seller shall inform Buyer immediately when a shipment has been dispatched. Delivery notices, bills of lading and shipping labels must show Buyer's purchase order number. Seller shall be responsible for correct declaration of goods so as to realize the most advantageous classification. Buyer's delivery instructions shall specify whether delivery is to be made to Buyer or directly to Buyer's customer, and Seller shall be liable to Buyer for Buyer's losses resulting from Seller's failure to comply with such instructions. Deliveries received by Buyer with an incorrect address on the Bill of Lading shall be held by Buyer at Seller's expense until Seller makes an appropriate correction.
6. Buyer reserves the right to return packaging material to Seller, freight prepaid. Excess freight incurred by Buyer while returning pallets/skids by common carrier while shipment to Buyer was made by another carrier, will be charged to Seller or appropriate set-off shall be made.
7. While Buyer will endeavor to inspect all material upon receipt, circumstances may make this impractical. Notwithstanding any time limit specified by Seller, Buyer shall have a reasonable time in which to inspect material following receipt. Buyer shall have the option of: (1) rejecting defective or nonconforming material, or (2) correcting defects and charging Seller for the cost of correction. Any reimbursement made by Seller shall not constitute a waiver of any damage claim by Buyer. This paragraph shall not limit Buyer's right to seek incidental and consequential damages from Seller.
8. Unless otherwise agreed in writing, Seller shall guarantee all material for one year from delivery as to fitness merchantability and conformance to Buyer's specifications. At Buyer's option Seller shall be obligated to immediately replace, without charge, any parts which during operation are found by Buyer to be defective or to correct such deficiency. Buyer reserves the right to revoke its acceptance of any goods that are found to be defective after Buyer's acceptance.
9. Buyer shall not be responsible for overshipments, except that buyer shall pay for overshipment of castings up to 5% over quantity ordered. Confirmed individual weight of casted pieces may be exceeded by up to 5%.
10. Models and tools made by Seller at Buyer's expense shall remain Buyer's property unless otherwise agreed by the parties in writing. Seller shall not sell to third parties, or use for any purpose, material manufactured to Buyer's specifications without express written authorization from Buyer.
11. Buyer's performance shall be excused for the duration of any strike or other work stoppage. Buyer shall promptly notify Seller of any such work stoppage and as to whether shipments should be halted.



12. Terms of payment shall be 30 days net after receipt of invoice and shipment unless otherwise specified on the purchase order.
13. Buyer may cancel this purchase order at any time upon written notice and shall thereafter pay reasonable and proper cancellation charges which may include a reasonable and customary profit only on goods and services accepted as of the date of the notice of cancellation.
14. Seller shall indemnify and hold Buyer harmless for any injuries, damages, losses, or claims made by third parties against Buyer for defects in items sold and/or manufactured by Seller.
15. The relationship between Buyer and Seller shall be governed by the laws of New Jersey and Seller agrees to submit to the jurisdiction of New Jersey.
16. The terms and conditions set forth herein shall be the terms and conditions of this transaction. Any conflicting terms set forth in Seller's acknowledgement or invoice shall be considered counter offers, which if not expressly agreed to by Buyer in writing, shall not alter or modify the terms and conditions herein.