

Doc. No	FRM-003-SAL
Revision	2
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LioChem Standard Terms and Conditions

CONTRACT: The terms and conditions herein provide for the full and exclusive agreement between the parties and supersede all previous communication, representations, or agreements, whether oral or written, between the parties with respect to the subject of this contract. The acceptance of this contract can be expressed in writing by separate cover, or by placement of an order by purchase order. All terms and conditions proposed by the Buyer that are different from, or in addition to, the terms of this Contract are expressly rejected by LioChem, and shall not become part of this Contract.

- TERMS OF PAYMENT:** Payment terms are net 30 days or as specified on the price quote. Buyer's credit shall be subject to Seller's continuing approval. In the event Buyer's credit position, in the opinion of the Seller, is unsatisfactory or becomes impaired, Seller may demand advance payment, satisfactory security, or a guarantee of prompt payment. If Buyer refuses to give the payment, security against, or guarantee demanded, or if Buyer is in default in any payment or if any proceedings, voluntary or involuntary, are instituted by or against the Buyer in bankruptcy or insolvency or under any provision of the U.S. Bankruptcy Code, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, Seller may cancel this order, refuse to deliver any undelivered goods and Buyer shall immediately become liable to Seller for the unpaid price of all goods delivered, all goods in process of manufacture, interest at the maximum legal rate of interest on unpaid invoices from the due dates thereof, together with all costs of collection including reasonable attorneys' fees. The foregoing rights are without prejudice to any other lawful remedy, including without limitation the right to reclaim any goods received on credit by the Buyer while insolvent.
- REMITTANCES:** Seller may instruct that remittances shall be sent to a bank or other receiving agency or depository. No receiving agency or depository has authority to settle claims for Seller or to accept payment tendered as payment in full. Therefore Buyer agrees that notwithstanding any endorsements or other legend appearing on Buyer's checks, drafts or other orders for payment of money, they do not, because of such endorsement or legend, or otherwise, constitute payment in full or settlement of account.
- PRICE:** Prices are firm for one year from quote date, unless specified otherwise on the quote.
- SPECIFICATIONS:** All product specifications will be in accordance with Seller's standards as reflected on the data, PPAP, or specification sheet. It is the buyer's responsibility to approve or reject a product in writing. Receipt of an order is considered approval of the specification.
- QUANTITY TOLERANCES:** Seller will be in compliance for shipments +/- 10% on standard products and +/- 20% on custom products unless specified otherwise on the quote.
- CHANGES:** Seller assumes no responsibility for any changes in Buyer's specifications unless such changes are confirmed in writing by Buyer and accepted in writing by Seller. Any price variation resulting from such changes shall become effective immediately upon acceptance of such changes.
- CANCELLATION:** Cancellation of a purchase order must be received and confirmed in writing 30 days prior to the requested ship date. Products made specifically for the Buyer (custom products), must be cancelled prior to the production of said product regardless of lead-time.
- DELAYS:** The acceptance, completion and delivery of orders is subject to: rules, regulations, authorizations, directions, and orders of all United States Government Departments and Agencies; our ability to obtain materials, supplies, or equipment; accidents or breakdowns; fires or floods; lack of transportation facilities; other causes or acts of God which are unavoidable or beyond our control. Delivery schedules are subject to plant conditions. They are estimates only and not guaranteed.
- TAXES:** Buyer agrees to pay such taxes, excise and otherwise as may be levied by the Federal Government or the State or any political subdivision thereof, upon the manufacture, sale and use of the product being sold hereunder.
- FREIGHT:** Unless otherwise agreed in writing, all shipments are F.O.B. Conyers, Ga. Risk of loss shifts to Buyer when Seller duly delivers to the carrier.
- WARRANTY:** Buyer shall assume full responsibility for the inspection of all shipments when received. Buyer shall notify Seller in writing of any failure to conform to specifications of the material thereof delivered in accordance herewith, such notification to be as soon as possible after delivery but in no event later than three months after such delivery, and in any event prior to the time that any further processing, assembling or other work is undertaken upon the goods. ALL LIABILITY HEREUNDER SHALL CEASE AFTER ANY FURTHER PROCESSING, ASSEMBLING OR OTHER WORK HAS BEEN UNDERTAKEN BY BUYER OR OTHERS UPON THE GOODS. No unauthorized returns will be accepted. If Seller does not receive notice of such failure to conform to specifications from Buyer as aforesaid, the shipment shall be deemed to have been accepted and approved by Buyer. Upon verification by Seller of nonconformance to specifications of any timely returned material, Seller may repair and/or replace same, or at Seller's sole option, credit in lieu thereof shall be issued. SELLERS LIABILITY FOR MATERIAL NOT CONFORMING TO SPECIFICATIONS SHALL BE LIMITED TO THE SALES PRICE THEREOF, AND SELLER SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL EXPENSE OR DAMAGE TO BUYER, INCLUDING WITHOUT LIMITATION, ANY ANTICIPATED OR LOST PROFITS, LOSS OF PRODUCTION, RECALL OR ANY OTHER LOSS RESULTING FROM THE CONDITION OF USE THEREOF. THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER EXPRESSED OR IMPLIED WARRANTY OF MERCHANTABILITY OF FITNESS, AND OF ANY OTHER OBLIGATION OF THE PART OF THE SELLER.