
	Quality Management System Policy	
	Title	Terms and Conditions of Sale
	Revision	QMSP 8.2.1_1 (April 7, 2023)

1. Objective
  - 1.1. To ensure clear documentation and consistent and communication of Kennebec Technologies (Seller) Terms and Conditions of Sale (T&Cs) to customers (Buyer).
  
2. Inputs
  - 2.1. Statutory and Regulatory requirements.
  - 2.2. Standard business and industry terms, conditions, and definitions.
  
3. Terms and Conditions
  - 3.1. Unless otherwise specified by Seller, Sellers Terms and Conditions of Sale shall prevail.
  - 3.2. Terms of payment shall be Net Thirty Days (N30) upon approval of credit, unless otherwise determined. Seller reserves the right to suspend deliveries, charge late fees to the fullest extent allowed by law, and institute other potential remedies, in the event Buyer is in default of agreed upon payment terms.
  - 3.3. Terms of shipment shall be FOB Origin when shipment occurs through small parcel or less than truckload (LTL) common carrier. Risk and title pass to Buyer at moment Seller delivers goods to carrier.
  - 3.4. Buyer shall address Requests for Quote to [quotes@kennebec.com](mailto:quotes@kennebec.com).
  - 3.5. Buyer shall address Purchase Orders to [orders@kennebec.com](mailto:orders@kennebec.com).
  - 3.6. Buyer shall address invoice inquiries and remittance information to [ar@kennebec.com](mailto:ar@kennebec.com).
  - 3.7. By acceptance of quote based on Estimated Usage (EU), Buyer agrees to take receipt of no less than Sellers build quantity within twelve months of commitment acceptance, and within every twelve months thereafter through commitment termination. Buyers' failure to meet this condition of quote shall result in the sell price of deliverable product, plus in-process, material, and tooling costs of Seller, as built or incurred in good faith support of EU, becoming immediately due and payable upon notice.
  - 3.8. Seller quotes shall remain valid for a period of 30 days, unless otherwise stated.
  - 3.9. Seller quotes shall contain an escalation clause for externally provided products, processes, and services, whether explicitly stated on the quote or not, to allow Seller to pass price increases exceeding 10 percent in any 6-month period to Buyer.
  - 3.10. Seller retains the right to re-quote / re-price products and services to Buyer in the event shipments are 20 percent less than Buyers forecast, target, estimated annual usage.
  - 3.11. Buyer shall request one product / part number per Purchase Order or purchase order like agreement, provide for one or more shipment dates and quantities, and contain an end or maturity date by which Buyer will consume the full Purchase Order quantity where multiple shipments are contemplated. Shipment values shall meet or exceed a \$500 minimum value or be subject to a \$100 minimum order charge.
  - 3.12. Seller shall make reasonable efforts to remain flexible to Buyer change order requests. Seller retains the right to charge Buyer a Change Order Fee applicable to costs associated with extended product storage or rework resulting from the change. Buyer and Seller shall agree to the terms of any Change Order Fee as a condition of change order acceptance. A change order deferring a scheduled shipment must be received a minimum of two weeks prior to the order due date to be eligible for consideration.
  - 3.13. Buyer may not suspend or terminate an order without Sellers written consent. In the event of order suspension or termination Buyer shall pay seller an amount to cover all incurred or committed material, labor, services, and incidental costs (together the product costs), including as administrative reimbursement fee equal to 20 percent of the associated product costs.
  - 3.14. Buyer shall notify Seller of nonconforming products and services in writing immediately upon discovery. Notification of nonconforming products and services, and the initiation of a return to Seller for rework or

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credit, shall occur within 45 days of receipt. Failure of Buyer to give notice shall constitute an unqualified acceptance of the product and service provided.

- 3.15. Buyer shall obtain a Return Material Authorization (RMA) from Seller prior to any material return.
- 3.16. Buyers sole and exclusive remedy for nonconforming products and services shall be, at the Sellers option, rework, replacement, or refund of the purchase price. In no event shall Seller be liable for any special, indirect, incidental, or consequential damages.
- 3.17. Neither Buyer or Seller shall be liable for its delay to perform the provision and acceptance of products and services due to contingencies beyond its control, including but not limited to acts of God, fire, flood, war, sabotage, accidents, labor disputes or shortages, or governmental law, ordinance, rule, or regulation.
- 3.18. Buyer shall indemnify and hold Seller harmless from and against any / all claims, actions, costs, damages, and fees resulting from any patent, trademark, trade secret, or other proprietary right or property related claim or other matter relating to the design, specification, or use of any such product liability for goods and services provided to Buyer design or specifications.
- 3.19. Dispute resolution shall be subject to the laws and jurisdiction of the State of Maine. Failure by Buyer or Seller to exercise any right under these terms on one occasion shall not waive the right to exercise the same on another occasion.