



## ProtoDesign Inc.

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### Standard Terms and Conditions of Sale

- 1. Acceptance of Goods:** Acceptance of purchaser's order(s) is expressly conditioned on purchaser's acceptance of these Terms and Conditions ("these Terms"), and any contrary or additional terms on purchaser's forms are objected to unless ProtoDesign, Inc ("PDI") expressly agrees in writing to modify these Terms. In placing an order with PDI, the purchaser assents to these Terms stated herein notwithstanding any contrary terms in any purchase order issued by the purchaser. Purchaser agrees that if purchaser accepts the goods delivered hereunder, such acceptance satisfies all of the obligations of PDI and purchaser shall have no remedy against PDI whatsoever except that provided in the Limited Warranty and Remedy provisions below.
- 2. Prices:** Prices for PDI products are as quoted or other written agreement with the factory. These agreements must be in force at the time of acceptance, and order confirmation by PDI. Quotations from PDI Sales and Engineering Representatives are for "estimating purposes only" until confirmed by the factory.

**PLEASE NOTE:** Quoted prices do not include shipping charges or insurance in transit. Additionally, they do not include sales, use, excise, tariff or other taxes and charges that may be imposed. Such charges are subject to an increase equal in amount to any amounts PDI is required to collect or pay upon the sale or delivery of the items purchased and will be billed separately with support provided or upon request. Errors are subject to correction. Prices and specifications are subject to change without notice. Formal factory quotations are normally firm for 30 days, unless otherwise specified.

- 3. Blanket Orders:** Blanket orders with scheduled releases may be quoted and placed with PDI to receive better pricing due to higher group volume raw material purchases. Blanket Purchase Orders sent to PDI should have scheduled release dates with shipment quantities outlined within an agreed to period with the factory from date of order placement. Changes to scheduled releases within the period are typically accepted with a 4 week advanced notice on the change. Accepted blanket orders by PDI are based on the customer's understanding and agreement that all quantities ordered will ship complete within the agreed to period after order placement otherwise costs for cancellation, quantity reduction or changes may be incurred.

#### 4. PDI Custom Products - Customer Responsibilities

- a. **Tooling/Fixtures/Programming:** Pricing for tooling, production fixtures, test- fixtures, are typically one time charges assuming no design changes or maintenance, service, updates are required. PCB Electrical Test (ET), machine programming and setup charges are typically recurring as applicable.
  - b. **Material Minimum Order Quantities (MOQ):** Customer responsible to purchase excess raw materials incurred due to minimum order quantities (MOQ). All excess materials to be invoiced to the customer and/or transferred to consignment at the end of an active program or if there are no repeat orders of the same model(s) within a 3 month period, as determined by PDI.
  - c. **Customer Supplied Parts/Kits:** All customer supplied parts, kits, or sub-assemblies should arrive at PDI before manufacturing is scheduled or prior to the first release of a blanket order. SMT parts must be supplied on continuous cut tape with a 2" minimum leader and 2" minimum trailer. Any SMT components received that do not meet this requirement are subject to a hand placement fee. Lead time begins when all components are received and verified to the bill of materials and packing list. PDI manufacturing and shipment delays due to customer supplied parts may incur cost penalties or be partially or fully invoiced on a monthly basis for the amount of work effort PDI has associated with the order(s).
  - d. **Order Changes:** Customer may reschedule any purchase order provided that no other changes are made with six (6) weeks of an accepted ship date. No consequent delay can exceed 30 days. Customer responsible for finished goods, WIP, and unique raw materials held in stock at PDI in addition to any other non-cancellable/non-returnable (NC/NR) raw material previously agreed to purchase. Any parts made obsolete due to an Engineering Change Order (ECO), material minimum order quantity (MOQ), order quantity reduction or cancellation will be invoiced (including material handling charges) to the customer within 30 days, typically.
5. **Credit, Payment & Shipping Terms:** Credit terms are granted at the sole discretion of PDI and full payment is due Net 30-days after the invoice date if credit has been approved. Unless credit has been approved in advance, buyer agrees to accept delivery and pay cash on or prior to delivery. Invoices are issued when goods are delivered to the carrier. Invoices not paid within thirty days of the invoice date will bear interest at 1.5 percent per month (18 percent per annum) on the unpaid balance from the date of delivery to the date of actual payment. Shipping charges are added from point of origin: which is F.O.B. the ProtoDesign, Inc. factory in Utica, Michigan, USA. Actions to collect accounts due may be brought in a court of competent jurisdiction in the country and state of the ProtoDesign, Inc. factory that issues the invoice for the goods. In any

action to collect accounts, PDI shall be entitled to costs of collection, including attorney's fees.

- 6. Limited Warranty and Remedy:** ProtoDesign, Inc. warrants to the original user of those products supplied by it and used in the service and in manner for which they are intended, that such products shall be free from defects in workmanship for a period of one (1) year from the date of shipment, unless a Special Warranty Period applies. This warranty does not extend to any product that has been subject to misuse, neglect or alteration after shipment from the ProtoDesign, Inc. factory. Except as may be expressly provided in a written agreement between PDI and the user, which is signed by both parties, ProtoDesign, Inc. **DOES NOT MAKE ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.**

The sole and exclusive remedy with respect to the above limited warranty or with respect to the products or to defects or any condition or use of the products supplied by PDI, however caused, and whether such claim is based upon warranty, contract, negligence, strict liability, or any other basis or theory, is limited to PDI's repair or replacement of the part or product, excluding any labor or any other cost to remove or install said part or product, or at PDI's option, to repayment of the purchase price. As a condition of enforcing any rights or remedies in relation to PDI products, notice of any warranty or other claim relating to the products must be given in writing to ProtoDesign, Inc.: (i) within 30 days of last day of the applicable warranty period, or (ii) within 30 days of the date of the manifestation of the condition or occurrence giving rise to the claim, whichever is earlier. **IN NO EVENT SHALL PROTODESIGN, INC. BE LIABLE FOR DIRECT OR INDIRECT DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OR PROFITS OR INTERRUPTION OF BUSINESS.** The Limited Warranty and Remedy provisions herein apply notwithstanding any contrary terms in any purchase order or form submitted or issued by any user, purchaser or third party and all such contrary terms shall be deemed rejected by ProtoDesign, Inc..

Some PDI products may carry a longer warranty period. Contact the factory for those that apply.

- 7. Cancellation of Orders:** Cancellation of any accepted order may be made only with the consent of PDI. Orders for finished and stocked standard catalog items, if cancelled by the purchaser, may be subject to a restocking charge. Finished and in-process special or unique non-catalog items will be billed in full or to the total extent of labor, material, and overhead costs at the time of cancellation at PDI's discretion.
- 8. Delivery:** Specified delivery dates represent PDI's good faith estimate of delivery dates for orders. Delivery dates are not guaranteed unless such guarantee is made expressly in writing by ProtoDesign, Inc.. Under no circumstances shall PDI be responsible for delays due to circumstances beyond its reasonable control including, without limitation, acts of God, fire, flood, embargo, pandemic,

epidemic, and disruption of utilities or freight service, labor disruptions, unusually severe weather and other similar circumstances. .

In the absence of specific shipping instructions, PDI will select an appropriate carrier, but such carrier will not be the agent of PDI, nor will PDI assume any liability regarding the shipment, including risk of loss or damage to the goods in transit. It is agreed between the buyer and seller that risk and title to the goods passes to the buyer upon delivery by PDI to the carrier, subject to a purchase money security interest retained by PDI until payment of the full purchase price to PDI.

- 9. Service Policy:** Any products, equipment or materials being returned to the PDI factory will require a factory issued Return Material Authorization Number (RMA #) prior to the return. To request a PDI RMA #, call our sales department at 1-586-739-4340 or email the factory at [sales@teampdi.com](mailto:sales@teampdi.com) with details on your requested return.

Please be sure all returns are shipped as follows:

1. RMA # clearly shown on each package.
2. Your company Name with Billing and Shipping addresses.
3. A complete description of the problem, request, or reason for the return.
4. The contact person at your company along with their contact information such as phone and email.
5. Non-Warranty returns quoted in advance will additionally need your supplied Purchase Order before work can begin.

Please pack your return materials or equipment in their original shipping cartons or in equivalent strong protective shipping cartons. Please address your package(s) to:

ProtoDesign, Inc.  
Attn: PDI Repair Dept., RMA # \_\_\_\_\_  
50495 Corporate Drive, Suite 106  
Utica, MI 48315 USA

Products being returned for service will be inspected and evaluated upon return by PDI. PDI will advise if the products are serviceable and covered at no-cost in accordance with the terms of the Limited Warranty and Remedy. Otherwise, products found to be out of warranty but deemed serviceable will be quoted a service cost. A purchase order will be required before work can proceed. Shipping costs are the responsibility of the customer to return RMA product(s). PDI is responsible for shipping costs on repaired or replaced product back to the customer if covered under warranty otherwise customer is responsible.

- 10. Modification of Terms and Conditions:** These terms and conditions shall prevail notwithstanding any proposed variation or addition which may be contained in any order or other written document submitted by the buyer for any equipment sold. Any deviations or additions to these terms and conditions must be in writing and are not valid unless confirmed in writing by an authorized officer of ProtoDesign, Inc..