

Terms Conditions Rights and Warranties

Updated June 24, 2015

PRODUCT PRICING

ALL PRICES LISTED IN OEI PRICE LISTS ARE FREIGHT EXCLUDED OR DELIVERED PRICING.

OEI price lists and any prices contained therein are subject to change without notice. Prices applicable to all Customer orders shall be those in effect at the time OEI receives a complete order from Customer unless: Customer and OEI have in place a written special pricing or master supply agreement, which agreement specifies the prices to be paid by Customer; or Customer requests a product shipping date to occur more than one hundred twenty (120) days after OEI's receipt of Customer's order (in which case OEI shall have the option to apply to Customer's order the price list in effect as of Customer's requested shipping date).

Any discounts are ineffective if, as a result of the discounts, the final selling price of any product offered in a OEI quote would be lower than the corresponding price for that product under that multiple award schedule contract between Krueger International, Inc. ("KI") and the United States General Services Administration (GSA). If the final selling price for any OEI product in a quote would be below KI's price to GSA, OEI will offer that product at the same price that KI offers to GSA. No other terms or conditions of KI's GSA contracts would apply to such sales.

FREIGHT AND DELIVERY

Freight Terms

OEI reserves the right to select the "best way" shipment methods and means (including, but not limited to, determination of the carrier, method of shipment, and routing). Standard delivery shall be dock-to-dock delivery and shall occur Monday through Friday, 7:00 a.m. to 3:00 p.m. for truckload or 9:00 a.m. to 5:00 p.m. for less than truckload or parcel. Products quoted as "Delivered Pricing" shall be "F.O.B. Destination," and freight charges are based on shipments to the 48 U.S. contiguous states. For shipments destined to other U.S. states or foreign territories, delivery will be made to a prearranged port. Customer shall reimburse OEI for any extra expenses resulting from any request by Customer for after-hours, holiday, weekend, or specific time delivery, or special carrier, shipping method, (e.g. air freight, exclusive use vehicle) packaging, and/or routing. Contact OEI for quote.

Requests for Specific Delivery Time(s)

OEI considers requests for delivery times and for drop shipments to job sites, and will undertake reasonable efforts to indicate any such request(s) to product carriers. OEI may, in its sole discretion, extend to Customer the option of a carrier- guaranteed set delivery time at an additional cost to Customer. OEI's liability for any damages incurred for any late deliveries, including labor and other expenses resulting from any such delays, shall be limited to a refund of the charge for the aforementioned guaranteed set delivery time.

Accessorial Fees

Customer shall be responsible for the payment of all accessorial fees, including, but not limited to, charges necessitated by any of the following:

1. A need for special delivery equipment, including lift gates
2. Inside delivery
3. The absence of a loading dock
4. Redirection or re-consignment of product
5. Detention charges
6. Street unloads
7. Improper refusal of product

Storage of Product

If, following OEI's acknowledgement of Customer's purchase order, Customer requests a delay in shipment for any period greater than one (1) day from the scheduled ship date, OEI shall provide for storage and Customer shall be responsible for the payment of the following storage fees:

1. Orders less than a full trailer (11 pallets or 24 feet or less): \$5.00 per day per pallet.
2. Full trailer: \$60.00 per day per trailer.

Any long-term storage (i.e. storage outside standard shipping and installation storage) must be climate controlled. Temperature must range between 60 and 80 degrees Fahrenheit and humidity must be controlled between 45 and 65 percent relative humidity.

Split Deliveries

Orders can be split shipped (including C.O.M. as it arrives) only with faxed or written authorization.

Re-delivery of Freight

When re-delivery of merchandise is required because the customer is not ready to accept merchandise, and no notification of this fact is given to the factory at least one week prior to the scheduled ship date, the actual costs for freight, restocking and re-handling, plus 5% of the order value, will be billed to the customer. CAUTION: After obtaining a clear receipt after re-delivery of a shipment, the delivering carrier is no longer responsible for damage or shortages.

PAYMENT TERMS

Net Thirty Days

Payment on all OEI invoices shall be made in U.S. dollars within thirty (30) days of the date of each such invoice and without offset, back charges, retention, or withholding of any kind. Unpaid and delinquent invoices shall accrue interest at the rate of one and one-half percent (1.5%) per month, or the highest rate permitted by law, whichever is less.

Custom Deposits

Customer may be required to pay a deposit for the purchase of any custom or nonstandard products identified in Customer's purchase order. Any such deposit shall accompany Customer's purchase order.

Security Interest in Products

OEI shall retain a purchase money security interest in all products sold to Customer and for which Customer has not made full payment. Customer agrees to execute any and all instruments necessary to document the creation of this security interest and/or to perfect the same. Customer further agrees to assemble and deliver to OEI all products subject to this security interest in the event Customer defaults on Customer's payment obligations to OEI.

Collection Costs

In the event Customer defaults on Customer's payment obligations to OEI, and OEI employs the services of an attorney or collection agency to enforce these obligations, Customer shall reimburse OEI for all of OEI's reasonable collection costs and expenses (including reasonable attorneys' fees and court costs) upon demand.

ORDER PROCESS

Requirements of a Valid and Complete

Purchase Order

In order to submit a valid and complete purchase order to OEI, Customer must provide OEI with the following information.

1. If you are purchasing directly from OEI the purchase order must be issued to OEI at the following address:

OEI
1330 Bellevue Street
Green Bay, WI 54302

2. The following items must be included on all purchase orders:

- Sold To/Bill To Information: complete legal name, address, telephone number and fax number
 - Ship To Information: complete legal name, address, contact name, contact phone number
 - Purchase Order Number: a customer-specific identifier, typically a sequential purchase order number or requisition number
 - Issue Date: date the purchase order was issued
 - Sales Tax: applicable sales tax will be added upon invoicing. If tax exempt, customer must provide or have the tax exempt certificate on file at OEI
 - Purchase Order Total: total of all items and services included on the purchase order
 - Authorization: signature of authorized purchasing agent or buying entity
 - Order Details: include all of the information listed below:
 - Quantity of each item
 - Complete model number, including all finish and option information (by line item)
 - Net purchase price (by line item)
 - Extended net purchase price (all line items)
 - Any additional applicable charges (ex: installation and/or delivery charges)
 - Contract name and/or number if pricing is based on a contract reference
3. Signatures on a quote or a worksheet will NOT be accepted as a purchase order.
4. In the event that you do not have a formal Purchase Order process, please contact your OEI Sales or Customer Service.

Fax or Email Orders

Orders may be sent to OEI via facsimile (1-920-468-2633) or via email to your OEI Sales or Customer Service Representative. If, following submission of an order to OEI, Customer sends a confirming order, such confirming order must be marked "Confirming Order. Original order sent via fax (or email)." OEI will not be responsible for any duplicate orders caused by unmarked hard copy, duplicative confirming orders, or orders submitted more than once.

Changes or Cancellations of Orders

Purchase orders acknowledged by OEI cannot be changed or cancelled without OEI's consent, which consent may be conditioned upon Customer's agreement to pay increased or additional expenses resulting from the requested change or cancellation, including but not limited to a twenty-five percent (25%) cancellation charge if order is cancelled or changed within a minimum of twenty (20) days prior to expected delivery date as acknowledged. Products with custom options or veneer tops cannot be cancelled or returned.

C.O.M. FABRIC REQUIREMENTS

Fabrics to be supplied by Customer must be approved by OEI for upholster-ability and flammability prior to acceptance of Customer's purchase order. Customer shall submit to OEI a one (1)-foot square sample swatch with Customer's purchase order. Following OEI's approval of Customer's fabric, Customer must contact OEI for exact production yardage requirements. Thereafter, Customer shall ship its fabric to the manufacturing facility identified by OEI. When supplying Customers own materials, it is the responsibility of the Customer to ship the materials to the identified manufacturing facility. Failure to ship the materials to the correct manufacturing facility will result in additional charges to the Customer for re-delivery of Customer's own materials to the correct manufacturing facility.

Purchase Orders that do not meet these requirements will be placed on hold until complete information is received by OEI.

Acknowledgements

OEI sends acknowledgements on all orders. Please read these acknowledgements and contact OEI immediately if there is any discrepancy. In the event of any difference or inconsistency between OEI's acknowledgement and Customer's purchase order, OEI's acknowledgement will control. In the event the model number and description differ on the purchase order, the model number will be the determining factor. Any error or discrepancy on acknowledgement must be reported to OEI in writing within three (3) working days of acknowledgement date. All acknowledgements contain an estimated delivery date, but an order may ship earlier than the estimated shipping date.

If Customer desires delivery on or after a specified date, Customer must write "Do not ship for arrival before ____ [date] _" on Customer's purchase order.

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TITLE, RISK OF LOSS, AND DAMAGE OR SHORTAGE CLAIMS

Title and Risk of Loss

Title to product shall pass to Customer upon delivery to the Carrier. For purposes of risk of loss, all shipments are "F.O.B. Destination"; and Customer acknowledges that, once the product is delivered to the Carrier, risk of loss shall pass to Customer. If you receive product that is freight damaged, the following steps must be taken:

1. Before signing for the merchandise, make careful notation of all damages on the bill of lading or delivery receipt.
2. Immediately file a claim with the delivery carrier. Request an inspection by the carrier agent.
3. The claim must be filed within fifteen (15) days of receipt of goods.
4. Retain all shipping cartons for inspection by the carrier agent. For concealed damages follow steps 2 through 4.

Shipment Damage Claims

All products are packaged to comply with carrier requirements and leave the manufacturing facilities in good condition. Customer shall be responsible to carefully inspect all product upon delivery and before acceptance. Any damage discovered upon delivery must be noted on the bill of lading. Notification of damage discovered after delivery must be given to the carrier within five (5) days immediately following delivery, and all damaged product must be kept at the point of delivery in its original packaging. OEI shall not be liable for loss or damage to product that occurs in transit, and Customer's sole remedy for any such damages shall be to seek appropriate recourse against the carrier.

Shortage Claims

Customer must report shortage claims to OEI within ten (10) days immediately following delivery. Shortage claims reported after ten (10) days after delivery will not be honored.

Returns

Product conforming to the specifications contained in OEI's acknowledgement to Customer may not be returned to OEI without OEI's written consent, which consent may be conditioned upon Customer's agreement to pay re-handling and/or restocking charges and/ or to prepay all freight charges on the return shipment.

MISCELLANEOUS

Jurisdiction and Venue

The interpretation and application of these Terms, Conditions, Rights and Warranties and any product warranties applicable to products purchased by Customer from OEI shall be governed in all respects by the laws of the State of Wisconsin, without reference to the rules of any jurisdiction concerning conflicts of laws or the provisions of the United Nations Convention on Contracts for the International Sale of Goods. Customer agrees that all disputes arising from the interpretation or application of these Terms, Conditions, Rights and Warranties or any product warranty shall be subject to the exclusive jurisdiction of and venue in the federal and state courts located in the State of Wisconsin.

Force Majeure

OEI shall not be liable for failure to perform or for delay in performance due to fire, flood, strike, or any other labor difficulty, act of God, act of any governmental authority or of Customer, riot, embargo, fuel or energy shortage, wrecks or delay in transportation, inability to obtain necessary labor, materials, or manufacturing facilities from usual sources, or failure of suppliers to meet their contractual obligations, or due to any cause beyond its reasonable control. In the event of delay in performance due to any such cause, OEI reserves the right to extend the date of delivery or time for completion by a period of time reasonably necessary to overcome the effect of such delay, to allocate any available supply of goods in a manner it deems reasonable, or to cancel any purchase order.

Product Warranties

These Terms, Conditions, Rights and Warranties may change from time to time. Purchases of products from OEI shall be subject to OEI's then current Terms, Conditions, Rights and Warranties which can be found at: www.oei-inc.com/terms.

WARRANTIES

OEI warrants the structural integrity of its products for ten (10) years and the upholstery, mesh and casters for one (1) year from the date of manufacture. OEI warrants all individual component parts and sub-assemblies (kits) sold to the Correctional Industry. OEI will only warrant the finished product built by the Correctional Industry and shipped to the end user, provided all OEI components are utilized and assembly procedures are followed per OEI specifications.

This warranty, which runs from the date of manufacture, covers defects in materials and craftsmanship found during normal usage of the products during the warranty period. If a product is defective, and if written notice of the defect is given to OEI within the applicable warranty period, OEI at its option will either repair or replace the defective product with a comparable component or product, or provide a refund of the purchase price. OEI reserves the right to determine labor method used during replacement of product.

This warranty does not apply to damage caused by carrier, alterations to product not expressly authorized by OEI, nor to products considered to be of a consumable nature such as bulbs, light ballasts, and surge suppression products. It also does not apply to "Customer's Own Material" (i.e., material supplied by the Customer that is not a standard OEI product offering) used in the manufacture of OEI products. OEI does not warrant the matching of color, grain or texture, except to within commercially acceptable standards. A product will not be considered defective, and OEI will not be obligated to replace it, if the product was not installed and/or used in accordance with the relevant OEI written planning, installation or user guides, and is not installed or used as recommended therein.

Modification to U.L. Listed products eliminates the listing.

EXCEPT AS STATED ABOVE, OEI MAKES NO EXPRESS OR IMPLIED WARRANTIES AS TO ANY PRODUCT AND IN PARTICULAR MAKES NO WARRANTY OF FITNESS FOR ANY PARTICULAR USE. AT OEI'S OPTION, PRODUCT REPAIR, REPLACEMENT, OR REFUND OF PURCHASE PRICE IS THE CUSTOMER'S EXCLUSIVE REMEDY FOR ANY AND ALL PRODUCT DEFECTS.

OEI will not be liable for consequential, economic, or incidental damages arising from any product defect. International Warranties may differ.