

Beretta USA Corp. Service Contract Standard Terms and Conditions

1. **Acceptance of Contract:** Contractor (hereinafter referred to as "Seller") shall be bound by the purchase order including all of its terms and conditions when it executes and returns the acknowledgement or when it delivers to the Beretta USA Corp. (hereinafter referred to as "Buyer") any of the items ordered or renders for Buyer any of the services ordered therein. No contract shall exist except as herein provided. Contrary terms issued by Seller are hereby rejected except to the extent mutually and explicitly agreed upon in writing by both Seller and Buyer. The purchase order and any contract resulting therefrom shall be governed by and construed under the laws of Maryland. All disputes will be venued in Maryland.
2. **Amendments:** All specifications submitted to Seller with the contract are thereby incorporated therein and made a part thereof. No agreement or understanding to modify a purchase order shall be binding upon Buyer unless in writing and signed by Buyer's authorized agent.
3. **Inspection:** All goods or services furnished hereunder will be subject to Buyer's final inspection or review and approval within a reasonable time after delivery irrespective of payment date. Buyer may reject goods or services as not being in accordance with the contract instructions, specifications, drawings, data, or Seller's warranty (expressed or implied). Buyer may return rejected goods to Seller at Seller's expense and Buyer shall have no further obligation for such goods. If Buyer rejects services provided by Seller, Buyer's obligation to pay for such services shall cease to be in effect. Payment for any article or service shall not be deemed acceptance and in no event shall Buyer incur any liability for payment for rejected goods or services.

Buyer shall have a reasonable time (not less than ten days from receipt) to submit to Seller claims of count, weight, quantity, loss or damage to delivered goods or to reject services provided and explain the basis for that rejection. Buyer will calculate damages on claims and deduct the amount from Seller's invoice. If invoice was previously paid, Seller will reimburse the amount of damages to Buyer.

Seller shall assume responsibility for and will pay any and all loss, cost, damage, or expense, including attorney fees and cost of replacement incurred by Buyer attributed to Buyer's rejection of goods or services due to nonconformance to specifications or contract or due to untimely delivery.

4. **Production and Delivery Schedule:** Time of delivery is of the essence of this contract, and if delivery of items is not made in the quantities and at the times specified, or rendering of services is not completed at the times specified, Buyer reserves the right without liability, and in addition to its other rights and remedies to take either or both of the following actions: (a) direct expedited routings of items (the difference in cost between the expedited routing and the contract costs shall be paid by the Seller); (b) terminate this contract by notice effective when received by Seller as to stated items not yet shipped or services not yet rendered and to purchase substitute items or services elsewhere and charge Seller with any loss incurred. Seller retains any and all other remedies available under law. Seller requires perfect tender for all goods deliverable under this contract.

Seller shall be liable for excess transportation charges, delays or claims resulting from Seller's deviation from Buyer's routing instructions. Neither party shall be liable for excess costs of deliveries or defaults due to causes beyond its control and without its fault or negligence, provided, however that when Seller has reason to believe that deliveries will not be made as schedule, written notice setting forth the cause of the anticipated delay will be given immediately to the Buyer

Buyer will have no liability for payment for items delivered to Buyer that are in excess of quantities specified on this order and delivery schedules. Such items may be held and used by Buyer at no cost or obligation or may be rejected and returned at Seller's expense, including transportation charges both way, at Buyer's sole discretion. Buyer will not be liable for any material or production costs incurred by Seller in excess of the amount or in advance of the time necessary to meet Buyer's delivery schedule.

5. **Waiver:** The failure of Buyer to insist, in any one or more instances, upon the performance of any of the terms or conditions of this contract or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future performance of each or any such terms or conditions, or the future exercise of such right, but the obligation of the Seller with respect to such future performance shall continue in full force and effect.

6. **Warranties:** By accepting this order, Seller warrants that the goods and services furnished will be free from defects in materials and workmanship, merchantable and in full conformity with Buyer's specifications, drawings and contract terms, and shall be fit for the Buyer's intended use and that Seller will convey good title to the goods or service, free and clear from all liens, claims, and encumbrances. This warranty shall survive acceptance of the items, and is in addition to any warranties of additional scope given to buyer by Seller. No implied warranties by the Seller are excluded. If parts are found to be nonconforming at Beretta U.S.A., the supplier shall provide the resources necessary to evaluate, contain, sort, reclaim, and/or scrap the nonconforming product. The supplier shall have a representative establish containment at the Beretta U.S.A. factory, material in transit, and at the supplier within (1) business day. Quicker response may be required based on the severity of the situation. If nonconforming products get into Beretta U.S.A. products or become a warranty problem, it shall be the supplier's responsibility to aid Beretta U.S.A. in evaluating and correcting the problem. Beretta U.S.A. shall be entitled to recover from the supplier all costs and expenses reasonably incurred by Beretta U.S.A. as a consequence of Seller's breach of its obligation to provide conforming product. When nonconforming product is corrected, it shall be subject to re-verification to demonstrate conformity to the requirements.
7. **Property Furnished to Seller by Buyer:** Unless otherwise agreed in writing, all piece parts, samples, material and any other property furnished to the Seller by Buyer, or specifically paid for by Buyer, for use in the performance of the order, shall be and remain the property of Buyer, shall be subject to removal upon Buyer's instructions, shall be used only in filling orders from Buyer, and Seller shall be liable for any damage to such property, beyond normal wear, while in Seller's custody or control.
8. **Proprietary Rights:** Except for articles manufactured to Buyer's express design, Seller agrees to indemnify, hold Buyer harmless and defend any suit or proceeding against Buyer and pay all costs and damages awarded provided said suit or proceeding is based upon a claim that the product or part thereof constitutes an infringement of any United States patent (other than a claim covering a process or product thereof) or trademark or copyright and Seller is given prompt notice and information and assistance (at Seller's expense) and the authority to defense said suit or proceeding. Seller will not be responsible for any settlement of said suit or proceeding made without its written consent. In the event the product or part thereof is in such proceeding held to constitute such infringement and its use is enjoined, Seller shall, at its expense and at its option, (a) procure the right to continue using said product or part thereof or service; (b) replace said product or part thereof or service with non-infringing product or part thereof; (c) modify said product or part thereof or service so it becomes non-infringing; or if the above is not possible, (d) remove said product and refund purchase price (including transportation costs) less fifty percent to any amount depreciated.
9. **Price:** All prices indicated on the face of this order are firm and Buyer shall not be billed at prices higher than stated on the order unless authorized by a "Revision of Purchase Order" issued and signed by Buyer. Seller represents that the price charged for the items or services covered by the order is the lowest price charged by the Seller to buyers of a class similar to the Buyer under conditions similar to those specified in the order. Buyer's remedy for Seller's breach of this provision shall include unilateral revision of the price to be paid by Buyer and, if payment has already been made, reimbursement by Seller and/or right of offset by Buyer against any future payment obligations to Seller. Seller agrees that any price reduction made in items or services covered by the order subsequent to the placement of the order but prior to shipment or rendering thereof, will be applicable to that order.

No separate or additional charge will be made for boxing, packing, crating, cartage or other added charge, unless provided on the order or on a revision thereto.

10. **Work on Buyer's Premises:** If work is to be done on Buyer's premises, the following clauses shall apply:

The Seller agrees to hold harmless, defend or indemnify Buyer and authorized persons for any claims arising out of the Seller's performance hereunder and procure and maintain insurance in adequate amounts (being at least one million dollars per claim and two million dollars in aggregate) against such claims.

11. **Compliance with Laws:** In accepting the order, Seller represents that it has and will comply with the provisions of all applicable federal, state and local laws and regulations. By acceptance thereof, Seller certifies compliance with the Fair Labor Standards Act of 1938, as amended, in the performance of the order.

12. **Termination and Stop Work Orders:** Buyer may at any time terminate all or any part of undelivered quantities on the purchase order, or any revisions thereof, or may issue a written “stop work order.” On the receipt of such termination notice or stop work order, Seller will stop work immediately and take all reasonable steps to mitigate any costs. Termination charges, or costs occasioned by a stop work order will be negotiated by Buyer and Seller.

13. **Cumulative Remedies:** All remedies provided herein shall be cumulative and not exclusive.

14. **Title and Risk of Loss:** Risk of loss of all goods shall remain in Seller until receipt of the goods at Buyer’s location. Notwithstanding restrictive legends to the contrary, title to plans, drawings and specifications for goods shall be vested in and remain with Buyer and may be used by Buyer for any purpose and shall be returned to Buyer within seven (7) working days upon receipt by Seller of Buyer’s request to return same.

Title shall pass to Buyer upon Buyer’s acceptance of goods at Buyer’s location. If Buyer makes progress payments, title to the goods shall be transferred to Buyer as payments are made and in the same proportion as the cumulative payments bear to the order price. Seller shall also identify such goods as the property of Buyer, unless Buyer waives identification.

Terms: Payment terms and point of transfer of title to goods is as specified on the face of this document. Terms to be 60 days unless otherwise agreed to by Beretta USA.

15. **Deliveries:** Unless otherwise specified in writing, Buyer will only receive services or shipments between the hours of 09:00 AM and 2:00 PM (Eastern Standard Time), excluding dates of facility closure and excluding weekends and holidays, at the location(s) specified on the face of this contract.

16. **Assignment:** None of the sums due or to become due nor any of the work to be performed under this order shall be assigned nor shall Seller subcontract for completed or substantially completed material called for by this order without Buyer’s prior written consent.