



TERMS AND CONDITIONS OF SALE

PRICES AND TERMS: The prices quoted by PASSIVE PLUS, INC. (Seller) may be adjusted to any change in market prices or otherwise for articles, equipment, supplies, materials or products. All prices are Ex Works, New York and include packaging for domestic shipment only. All terms are net 30 days unless otherwise specifically indicated on the face of the acknowledgment of Purchase Order. The Seller reserves the privilege of declining to make deliveries except for cash whenever, for any reason, doubt as to the Buyer's responsibility develops, and shall not in any event, be liable for non-performance of contract in whole or in part. Each order will be subject to the approval of our Credit Department.

DELIVERY: PASSIVE PLUS, INC. prices are quoted on the assumption that production will be scheduled in a routine manner and that deliveries will be made within a reasonable time after receipt of a Purchase Order. In the event that Buyer requires that delivery time shall be of the essence or that PASSIVE PLUS, INC. be penalized in any way because of failure to deliver by a specified date, Buyer must request a special quotation from PASSIVE PLUS, INC. which quotation shall expressly reflect a premium over PASSIVE PLUS, INC.'s ordinary prices to compensate PASSIVE PLUS, INC. for such increased liability. In the absence of any delay or failure in performance of orders in the delivery of shipment of products, or for any damages suffered by Buyer for reason of such delay or failure is directly, or indirectly, caused by or in any manner arises from acts of God, or of public enemies, fires, floods, explosions, accidents, epidemics, quarantine restrictions, riots, mobilizations, war, rebellion, revolutions, blockades, hostilities, governmental regulations, requirements, restrictions and priorities, interference or embargoes, strikes, lockouts, differences with workmen, inadequate transportation facilities, delays or interruptions in transportation, shortages of labor, fuel, raw materials, supplies or power, accidents to, breakdowns of/to or mechanical failure of plant machinery or equipment arising from any cause (whether or not similar in nature to any of those hereinbefore specified) beyond Seller's controls. In no event will Seller be liable for any consequential damages to costs of "cover" by Buyer due to delay in failure or performance, whether or not excused by the foregoing.

CANCELLATION: The Buyer may cancel order upon written notice to the Seller and upon payment of cancellation charges which shall take into account among other things expenses already incurred and commitments made to the Company.

Cancellation Charges --SURFACE MOUNT CAPS			
<i>PPI Series (example)</i>			
<i>0201N</i>	<i>Surface Mount Caps</i>	See Cancellation Schedule Below & on Next Page	
<i>0402N</i>	<i>Surface Mount Caps</i>		
<i>0603N</i>	<i>Surface Mount Caps</i>		
<i>0805N</i>	<i>Surface Mount Caps</i>		
<i>1111N</i>	<i>Surface Mount Caps</i>		
<i>0505P/C</i>	<i>Surface Mount Caps</i>		
<i>1111P/C</i>	<i>Surface Mount Caps</i>		
<i>2225P/C</i>	<i>Surface Mount Caps</i>		
<i>3838P/C</i>	<i>Surface Mount Caps</i>		
<i>0505X</i>	<i>Surface Mount Caps</i>		
<i>1111X</i>	<i>Surface Mount Caps</i>		
<i>2225X</i>	<i>Surface Mount Caps</i>		
<i>6040C</i>	<i>Surface Mount Caps</i>		NCNR - Non-Cancelable, Non-Returnable
<i>7676C</i>	<i>Surface Mount Caps</i>		NCNR - Non-Cancelable, Non-Returnable
All surface mount items that Passive Plus, Inc. sells fall under this Cancellation Schedule. All products must be shipped by Seller within a one year period of initial PO.			

Cancellation Schedule

For PO that is placed, scheduled and not shipped:

If order is 0-4 days, 0% cancellation and restocking charge

If order is 5-90 days, 25% cancellation and restocking charge

If order is 91-180 days, 50% cancellation and restocking charge

If order is 181 -360 days, 75% cancellation and restocking charge

For PO that is shipped (Ex Works) from Passive Plus, Inc., NY:

If order is shipped 1- 4 days, 50% cancellation and restocking charge

If order is shipped 5 -15 days, 75% cancellation and restocking charge

If order is shipped >16 days, 100% cancellation and restocking charge

Note: All products must be in the original packaging and unopened otherwise product cannot be returned

Cancellation Charges – LEADED CAPS

<i>PPI Series (example)</i>	<i>Leaded Caps</i>	
<i>1111P/C</i>	<i>Leaded Caps</i>	See Cancellation Schedule Below
<i>2225P/C</i>	<i>Leaded Caps</i>	
<i>3838P/C</i>	<i>Leaded Caps</i>	
<i>6040C</i>	<i>Leaded Caps</i>	NCNR - Non-Cancelable, Non-Returnable
<i>7676C</i>	<i>Leaded Caps</i>	NCNR - Non-Cancelable, Non-Returnable

All leaded items that Passive Plus Inc. sells, fall under this Cancellation Schedule.

All products must be shipped within a one-year period of initial PO.

Cancellation Schedule

For PO that is placed, scheduled and not shipped:

If order is shipped 0-4 days, 0% cancellation and restocking charge

If order is 5-90 days, 50% cancellation and restocking charge

If order is 91-180+ days, 100% cancellation and restocking charge

For PO that is Shipped (Ex Works) from Passive Plus, Inc., NY:

If order is shipped, 100% cancellation and restocking charge

Note: All products must be in the original packaging and unopened otherwise product cannot be returned.

GENERAL: PASSIVE PLUS, INC. agrees to comply with all applicable State and Federal Laws, rules and regulations with regard to Wage and Hour Law, discrimination, Fair Labor Standard Acts and other provisions relating to working conditions. Our failure to comply with the above provisions will not be sufficient cause for cancellation.

WARRANTY: PASSIVE PLUS, INC. warrants products manufactured or sold by us to be free from defects in material and workmanship. Our obligation under this warranty is limited to repairing or replacing any of our products which shall, within twelve months after delivery to the original purchaser, be determined by PASSIVE PLUS, INC. examination to be defective and which are returned to us transportation prepaid. This warranty does not extend to any of our products, which have been subject to abuse, misuse, lack of proper maintenance or negligence in use, storage, transportation or handling, nor shall it extend to products which have been repaired or altered outside our factory. No return of parts shall be accepted unless return has been previously authorized by PASSIVE PLUS, INC. THIS IS PASSIVE PLUS, INC.'s, SOLE WARRANTY AND IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND SETS FORTH BUYER'S SOLE REMEDY.