



PSI Industries Inc. Terms and Conditions

Section 1 – The Contract

◆ 1.1 Offer and Acceptance

- A Purchase Order (PO) sent to PSI Industries is considered a formal offer from the Buyer to purchase specified products.
- The Seller (PSI) accepts the PO either by:
 - Starting any work or performance under the order, or
 - Providing written acknowledgment of acceptance.
- Upon acceptance, the PO—along with PSI's written acknowledgment, these General Terms, and any referenced documents (including specifications, drawings, customer requirements, or quality standards)—forms the legally binding agreement (“Contract”) between Buyer and Seller.

◆ Document Hierarchy

- If there’s a conflict between terms:
 - Specific terms listed in the PO or incorporated documents take precedence over general terms.
 - Any printed language or alternate terms from the Buyer (such as terms on their own forms or order documents) are considered rejected unless explicitly agreed to in writing via a revised or amended PO signed by both parties—even if PSI begins performance without formal agreement.

1.2 Changes to the Contract

- Buyers can propose **reasonable changes** to specifications, packaging, materials, delivery methods or schedules, quantities, or testing criteria.
- All changes:
 - Must be in writing
 - Must be signed and accepted by both parties
- If changes impact cost or timelines, both sides must negotiate and agree on adjustments **before** changes go into effect.



◆ Section 2 – Delivery

2.1 Packing and Shipment

- PSI will pack and ship Products according to the Buyer’s written instructions, including specific labeling, certifications, and handling requests.
- If Buyer does not provide instructions, PSI defaults to commercially sound and standard packaging and shipping practices.
- Transportation methods must match the terms in the Contract. Changes require mutual written agreement.

2.2 Delivery Schedules

- Deliveries are made based on the agreed contract schedule.
- Unless otherwise specified, products ship **FOB PSI’s dock**—meaning the Buyer assumes **title and risk of loss** once the freight carrier picks up the goods.

◆ Section 3 – Product Quantity Tolerances

These tolerances allow for industry-standard deviations in order fulfillment. Quantities may be rounded **up to the next whole piece**, unless otherwise stated.

Weight Range	% Tolerance
499 AND UNDER	+20% / -10%
500 AND OVER	+10% / -10%

◆ Section 4 – Inspection

- Buyers may inspect production processes and property at PSI’s facility, **with reasonable notice** and subject to PSI’s **prior written approval**, which won’t be unreasonably withheld.
- PSI may limit access to protect:
 - Proprietary technologies and internal processes
 - Export-controlled materials or information
- Seller may require the Buyer to sign **indemnification and release documents** as part of the inspection process.



◆ Section 5 – Taxes

- **Included Taxes:** The contract price covers all applicable federal, state, and local taxes—except for **sales tax, value-added tax (VAT), or similar turnover taxes.**
- **Separate Invoicing:** If required by law, PSI will **invoice those taxes separately.**

Section 6 – Payment Terms

- **Standard Term:** Based on credit approval from PSI. Payment is due **net 30 days** from the date of the invoice.
- **Changes:** Any alternate payment terms must be documented in a written agreement signed by all parties.

Section 7 – Product Warranties & Non-Conformance

7.1 Seller's Warranty

- PSI warrants that all extrusions are:
 - Manufactured using PSI's own dies approved by the buyer.
 - Made to meet authorized material specifications.
- **Important Limitation:**
 - Hollow extrusions (especially made with the *porthole* method) contain internal metallurgical bonds.
 - These may not be suitable for applications involving **pressurization or vacuum conditions.**
 - Therefore, PSI does **not guarantee their structural integrity** under such stresses.
- **No Additional Warranties:**
 - All other warranties (express or implied), including **merchantability** and **fitness for purpose**, are explicitly disclaimed.

7.2 Claims for Non-Conforming Products



- Buyer must inspect products after delivery:
 - General defects: **within 30 days**
 - Transportation damage: **within 3 days**
 - If a defect is found:
 - Buyer must notify PSI.
 - Seller must inspect and provide **return shipping instructions** before any product is sent back.
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7.3 PSI's Liability

- PSI's **sole obligation** for non-conforming products is to:
 - **Repair, replace, or refund**—at PSI's discretion.
 - **Limitations:**
 - PSI is **not liable** for indirect, incidental, or consequential damages (including lost profits or delays).
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Section 8 – Legal Compliance

- Both PSI and the Buyer must comply with all applicable laws, rules, and regulations in the country where the products are manufactured.
 - PSI agrees to provide:
 - **Material Safety Data Sheets (MSDS)** for all products.
 - Other relevant documentation as reasonably requested by the Buyer to support legal and regulatory compliance.
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Section 9 – Anti-Corruption Assurance

- Both parties affirm and certify that they:
 - Have not offered, paid, or provided anything of value unlawfully to foreign officials or political parties.
 - Will not engage in corrupt practices to gain business or unfair advantage.
- Specific compliance includes:
 - **U.S. Foreign Corrupt Practices Act (FCPA)**
 - **United Nations Convention Against Corruption**



- **OECD Anti-Bribery Convention**
 - Prohibited actions include bribes, kickbacks, unlawful contributions, or influence payments.
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Section 10 – Export Controls

- Both parties agree to comply with all relevant **U.S. export regulations**, including:
 - **ITAR** (International Traffic in Arms Regulations)
 - **EAR** (Export Administration Regulations)
 - OFAC embargo regulations
 - **The USA Patriot Act**
 - Applies to any country where business is conducted under this agreement.
 - Obligations include following anti-boycott regulations and securing any necessary export documentation.
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Section 11 – Tooling

- All equipment (such as extrusion dies) created or acquired by PSI **for exclusive use in producing Buyer’s products** remains PSI’s property.
 - Any charges paid by Buyer are strictly for **use** of the tooling—not ownership.
 - If the equipment is unused for **two consecutive years**, PSI may:
 - Provide **30 days written notice**, and then
 - **Dispose of the equipment** as it sees fit.
 - Until then, PSI will maintain and reserve the equipment specifically for Buyer’s product manufacturing.
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Section 12 – Cancellation Charges

- If the **Buyer cancels an order** before completion or **terminates the contract** early:
 - Buyer must pay for:
 - All completed products at full contract price.
 - Any work-in-progress or raw materials at **Seller’s actual cost**.
 - Any material that Seller can’t cancel with its supplier.
- If there’s a **Forward Buy Agreement**:



- Buyer must take delivery of and pay for all products as agreed.
 - If Buyer fails to take delivery or cancels, they owe payment for the **shortfall quantity** per the contract.
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Section 13 – Limitation of Damages

- PSI excludes liability for the following types of damages **to the fullest extent allowed by law**:
 - Indirect
 - Special
 - Consequential (including **lost profits**, market share, brand value)
 - Incidental
 - Punitive
 - Exemplary
 - This means the Seller is protected from broad financial consequences except for **direct damages as specified**.
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Section 14 – Confidential Information

- Each party must:
 - Keep the other's information confidential.
 - Only share it with employees who need it to fulfill the contract.
 - Use it strictly for performing the contract.
 - “Confidential Information” includes:
 - Pricing and contract terms
 - Trade secrets
 - Specifications, drawings, instructions, engineering data
 - Financial and business data
 - All confidential info remains **the property of the disclosing party**.
 - Safeguarding standards: Must use at least a **reasonable level of care**, equivalent to how each party protects its own sensitive info.
 - Upon request: Receiving party must **return or destroy** all confidential information and copies.
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Section 15 – Assignment and Subcontracting

- Neither PSI nor the Buyer may assign or subcontract their responsibilities **without prior written consent** from the other.
 - If consent is granted:
 - It **doesn't release** the assigning party from its obligations.
 - The original party remains accountable for any **non-performance or default** by the assignee or subcontractor.
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Section 16 – Force Majeure (Excusable Non-Performance)

- A party won't be liable for delays caused by uncontrollable events like:
 - Acts of God, war, fire, flood, earthquake, epidemic, terrorist attack, embargo.
 - Does **not** include:
 - Normal weather or shortages in labor/materials unless linked to a force majeure event.
 - If claiming force majeure:
 - Must notify the other party with details including:
 - Nature of the event
 - Expected delay length
 - Mitigation steps
 - Termination date of the event
 - Remedy: Delay is excused **only for the time needed to overcome the event**.
 - If it lasts (or is expected to last) more than **30 days**, both parties must meet to discuss next steps—possibly including contract termination.
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Section 17 – Dispute Resolution

- **First step:** Parties will try to settle disputes through **good faith negotiation**.
- If unresolved, either party may request **non-binding mediation**:
 - Mediator must be approved by both parties.
 - The mediation takes place at PSI's facility in Olney, Texas unless another location is agreed upon.
 - Mediation costs (including fees) are split equally.



- Mediation agreements are enforceable in court.
 - Exceptions: If a dispute involves third parties or requires injunctive/non-monetary relief, either party may proceed directly with litigation.
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Section 17.4 – Security Interest

- Buyer grants PSI a **security interest** in all materials acquired under the contract, including those stored at either PSI or Buyer’s facilities.
 - This remains in effect until **full payment** is made.
 - PSI is authorized to file necessary **Financing Statements**, even without Buyer’s signature.
 - Buyer must:
 - Execute additional documentation if requested.
 - Notify PSI **30 days prior** to relocating or changing name/state of organization.
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Section 18 – Shipping Policies

18.1 – Partial Shipments

- PSI may send partial shipments and **invoice each separately**.
- Each partial shipment is treated as an individual sale.
- Delay in one shipment doesn't excuse Buyer from accepting others.

18.2 – Shipping Weights

- PSI’s shipping weights are considered final.
 - If Buyer disputes a shipment's weight:
 - Must **provide written notice** explaining the discrepancy.
 - Include documentation to support the claim.
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Section 19 – Patents

- **PSI’s Responsibility:**



- PSI will **indemnify** Buyer against court-assessed damages and legal costs resulting from infringement of U.S. patents if the issue arises from:
 - **Standard commercial compositions** or
 - **Common forms/shapes/constructions** sold generally by PSI at the time of order acceptance.
 - **Buyer's Responsibility:**
 - Buyer indemnifies PSI for patent infringement **caused by specific designs, specs, or instructions** the Buyer provides that differ from PSI's standard offerings.
 - **Cooperation Clause:**
 - Both parties agree to:
 - Provide **reasonable assistance** to defend against infringement claims.
 - Promptly **notify** each other about any claim.
 - **No indemnification** is given if a party doesn't properly notify the other.
 - **Important Note:**
 - Purchasing goods from PSI **does not grant any patent rights or licenses** to the Buyer.
 - However, Buyer retains the right to **use and sell** those goods.
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Section 20 – Indemnification

- Buyer must:
 - **Release, hold harmless, defend, and indemnify** PSI from any liability, including negligence claims.
 - Covers third-party actions, damages, losses, or costs resulting from Buyer's use or resale of the products.
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● Section 21 – Miscellaneous

- **21.1 Amendments** Seller may revise these Terms without prior notice; changes apply to all future purchase orders and transactions.
- **21.2 Independent Relationship** Buyer and Seller are independent contractors. This agreement does not establish any joint venture, partnership, agency, or employment relationship.
- **21.3 Waiver** Failure to enforce any term of this agreement does not constitute a waiver of the right to enforce that term at a later date.



- **21.4 Entire Agreement** This document represents the full and complete agreement between the parties and supersedes all prior understandings, whether written or verbal, unless expressly incorporated herein.
- **21.5 Severability** If any provision is held to be invalid or unenforceable, the remaining provisions will remain in full force and effect.
- **21.6 Notices** All required notices under this agreement must be delivered in writing and are only considered effective upon actual receipt by the intended recipient.
- **21.7 Governing Law** This agreement shall be governed by and construed in accordance with the laws of the State of Texas, excluding any conflict-of-law rules.

For further inquiries or assistance regarding this agreement, please contact our Sales Manager, Noah Stone, or our President, Kyle Coates, at (972) 712-7900.