



Machining

Terms & Conditions of Sale

QUOTATIONS

Stenographic and clerical errors are subject to correction. Our quotes are based upon the information provided by you, our customer. If the information provided is incorrect, insufficient or unclear, we reserve the right to adjust the cost as appropriate. Raw Material prices are subject to price in effect and subject to availability at time of order. All prices are quoted F.O.B. R & S Machining's shipping point unless otherwise stated on this document.

QUANTITIES

Unless explicitly stated in the purchase order or required by prior agreement/contract to the contrary, buyer agrees to accept over/under runs not to exceed 5% of ordered quantity on each line item.

CHANGES TO PURCHASE ORDERS

Any modifications to purchase order contracts made after the initial submission will result in an additional charge. This includes but is not limited to adjustments in quantities, specifications, engineering, delivery schedules, or other order details. The fees for changes will vary based on the nature and extent of the modifications. Specific rates will be detailed in a supplementary document or communicated by your dedicated account representative.

CANCELLATIONS

Orders may be cancelled upon condition that the buyer assumes immediate liability and makes payment for all work completed and in process. Such charges shall include raw material, hardware unamortized tooling, and engineering/programming, handling, overhead, and production costs. Such charges will be determined at time of cancellation. A cancellation charge of 10% may apply to all canceled orders. Any release delayed more than 90 days from the original release date is subject to a 1% monthly carrying charge.

Additionally, if customer or government supplied products or materials are provided with a purchase order, the customer shall be responsible for paying storage fees at a rate of \$4.75 per sq ft per the following criteria.

- In the event of a stop work order (SWO), the customer may be liable for the space consumed for the duration of the stop work for the products or materials.
- In the event of a full termination or cancellation, the customer shall be subject to paying a storage fee for the products or materials from the date of receipt of applicable products or materials at an R&S Machining, Inc. facility until the products or materials are removed from the R&S Machining, Inc. facility.
- In the event of a partial termination or cancellation, the storage fee shall be subject to the remaining balance of products or materials from the date of receipt of applicable products or materials at an R&S Machining, Inc. facility until the products or materials are removed from the R&S Machining, Inc. facility.

DELIVERY & SHIPMENTS

Unless you, our customer, have furnished shipping instructions to R & S Machining prior to the time R & S Machining has completed packaging the goods, all orders will be shipped by either common carrier or R & S Machining's own trucks. In either event, whether the shipment is by common carrier or R & S Machining's own trucks, you shall pay freight charges from R & S Machining's shipping point. R & S Machining shall also be entitled to make additional charges for special packing if, in R & S Machining's discretion, special protection is necessary to insure safe delivery.

TAXES

The prices quoted do not include sales, use, value added, excise or other taxes unless otherwise stated on the invoice. These taxes and any other measured in whole or in part by gross receipts applicable to this transaction shall be paid by you, our customer, in addition to the quoted purchase price. If you, our customer, claim exemption from any of these taxes, you shall furnish satisfactory proof of such exemption.

SAWLES

If requested, seller will submit samples for approval when commencing production upon any order. It is understood that machines may commence running production concurrently with review of samples. Any changes in original specifications must be timely and will be made only at buyer's direction and expense. Buyer shall notify seller immediately and follow with written confirmation.

RIGHT OF INSPECTION

Should any of the goods supplied fail to conform to the specifications and the description on the face of this document. R & S Machining's ONLY LIABILITY will be to make replacement or repair or to refund the purchase price, at R & S Machining's sole option provided that (a) you, our customer, notify R & S Machining in writing within ten (10) days from receipt of the goods, (b) R & S Machining's inspection determine that the goods do not conform to the specification or description, (c) upon R & S Machining's request, you, our customer, return the goods to R & S Machining within ten (10) days after being requested to do so, and (d) terms of payment have been fully met. Your failure to comply with the terms of this paragraph and as otherwise provided in this document shall constitute an irrevocable acceptance of the goods as conforming to the type and quality specified and bind you, our customer, to pay the contract price for the goods. All claims must be made prior to the installation or other use of the goods. If you have accepted the goods tendered under this document in any manner provided in the Uniform Commercial Code, you, our customer, shall have no right to revoke its acceptance.

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R & S Machining is not responsible for shortages or errors unless written claims are made to R & S Machining within five (5) days of customer's receipt of the goods. In any event, claims of shortages or damage should be noted immediately upon receipt of the goods on the bill of lading or delivery ticket. If there is a shortage or the goods have been damaged in transit, a notation to that effect must be made upon customer's receipt on the carrier's bill of lading or delivery ticket (receipt). Damaged goods should not be unloaded until they have been thoroughly inspected and all damages noted on the delivery ticket or bill of lading. If customer requests that the goods be shipped via common carriers whose charges do not include insurance, R & S Machining will not insure the goods unless specifically instructed to do so. All charges relating to insurance of goods will be made to the customer's account and are due and payable upon receipt of R & S Machining's invoice unless they are billed directly to you by the insurance carrier.

TOOLS & DIES

Tools, dies, gages, and fixtures are an integral part of the manufacturing process and may be included in engineering charges. As a proprietary item, payment by the buyer, whether separately quoted or not, conveys neither ownership nor the right of removal from the seller's plant. Specific arrangements can be made if the buyer specifies these requirements up front and submits a separate purchase order for them.

PATENT

The products hereunder are manufactured in accordance with the buyer's specifications and design. Accordingly, buyer shall defend and save harmless seller from all damages, claims, actions, or suits based upon actual or alleged infringement of any patent registered in the U.S. or elsewhere. Indemnity shall include attorney's fees and other costs in defending such claim.

WARRANTY

Seller warrants that goods manufactured by him will conform to the drawings and specifications furnished by buyer. To ensure that product ordered meets all buyer requirements, Seller will conform to all specifications and applicable revisions identified with the order documentation and/or previously supplied by the buyer. In the absence of revision requirements of specifications, Seller will utilize the latest revision available at the time of processing of the order. Where products are used and combined with other equipment or components not furnished by seller, buyer agrees to indemnify seller for all claims and expenses resulting from the use or incorporation into buyer's products. Indemnity shall include attorney's fees and other costs in defending such claim. No express or implied warranty of merchantability or fitness for use is made except as provided herein.

LIMITED LIABILITY

There are no warranties or representations, express or implied, including any regarding merchantability or fitness for a particular purpose, except as explicitly stated on the form of this document. Liability for the breach of any warranty is limited to replacement of defective or nonconforming goods or to the refund of the purchase price upon return of the goods to R & S Machining, at the option of R & S Machining. R & S Machining is not liable for any other direct, incidental, or consequential damages, including lost profits, even if R & S Machining has been advised of the possibility of such damages. Customer assumes all risks and liability for loss, damage, or injury to persons or property of you or others arising out of the use of possession of the goods.

LATE CHARGES

R & S Machining will charge 1.5% late charges on balances past payment terms. Acceptance of this proposal is deemed implicit acceptance of these terms. If R & S Machining must pursue legal redress to collect payment for products/orders shipped or services rendered, the cost of such pursuit will be indemnified by customer, in addition to payment in full and interest thereupon. It is expressly agreed that venue shall be St. Louis County, Missouri.

RETURNS

All returns must be accompanied by a Returned Material Authorization (RMA) # provided by R & S Machining.

The terms and conditions set forth here constitute the entire agreement between R & S Machining and our customer, the parties, relating to the sale of the goods/services, and this agreement prevails over any and all terms contained

in your, our customers, purchase order or acknowledgements unless explicitly stated to the contrary in a writing executed by both you and R & S Machining. This agreement cannot be modified except by a writing signed by both of us.

This agreement is to be governed by the laws of the state of Missouri.

R & S Machining, Inc.

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