

PHILLIPS & TEMRO INDUSTRIES

QUOTE

STANDARD TERMS AND CONDITIONS

1. We reserve the right to make any corrections to this quote due to stenographic or clerical errors.
2. This quote is subject to review and acceptance of all applicable specifications.
3. **ENGINEERING CHARGE:** The Engineering Charge covers the cost of engineering, adapting and fabricating special tooling, fixtures and programming and does not convey title nor control of any tooling required to fabricate the parts included in this quote.
4. **CANCELLATION AND/OR MODIFICATION OF ORDER OR DESIGNS:** Any raw material, engineering charges, freight costs or committed purchase costs that are incurred prior to order cancellation, purchase order change or design change shall be borne by the customer.
5. **DEFECTIVE CUSTOMER SUPPLIED MATERIALS:** Customer supplied materials which are found to be defective during or after processing, will be invoiced at the appropriate amount in correlation to the level of completion of each item.
6. **CONSUMPTION OF RAW MATERIALS:** Depending on the part, parts or product included in this quote, some material may be consumed in the development and manufacturing setup. Phillips & Temro Industries is not responsible for the cost of material consumed in development and set up. Please allow 5-10 pieces from each lot of customer supplied materials to be lost during setup. We will do our best to minimize this on each order.
7. **DELIVERY CHANGES:** Requests for delivery date changes will be considered on a case by case basis dependent upon the current production schedule at the time of the request.
8. **FREIGHT:** Prepaid and Add or Collect; FOB Shipping Point.
9. INTENTIONALLY LEFT BLANK.
10. **PAYMENT TERMS:** Terms are net 30 days. Terms are based on the date of invoice, not on the date merchandise is received. A 1.5% monthly service charge will be assessed on all past due accounts. Payment must be made in U.S. dollars, with correct currency noted on checks.
11. **SALES & USE TAX:** Any applicable Sales and/or Use Taxes on the use, consumption or storage of these products are the responsibility of the Purchaser (unless an exemption applies).
12. INTENTIONALLY LEFT BLANK
13. **LIMITED WARRANTY:** Phillips & Temro, at its sole option, shall replace or provide a credit of the purchase price, for any goods which do not conform to buyer's WRITTEN specifications. PHILLIPS & TEMRO MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. (Please see separate Limited Warranty for complete warranty language.)
14. **LIMITATION OF LIABILITY:** Phillips & Temro's liability shall be limited to either repair or replacement of the goods or a credit of the purchase price, at Phillips & Temro's sole option. UNDER NO CIRCUMSTANCES SHALL PHILLIPS & TEMRO BE LIABLE OR RESPONSIBLE FOR INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES. In no even shall Phillips & Temro's liability exceed the purchase price of the goods.
15. **ARBITRATION:** Any dispute relating to this transaction shall be decided by binding arbitration under the rules and procedures of the American Arbitration Association and shall be heard in Minneapolis, Minnesota or such other place as the parties shall mutually agree.
16. **WARRANTY RETURN PROCEDURE:** To qualify for stated warranties, a Return Materials Authorization (RMA) number must be obtained from Phillips & Temro Industries by calling 800-328-6108. Claims for shortages or unsatisfactory merchandise must be made within 10 days from receipt of the merchandise. Phillips & Temro will not authorize returns more than 30 days after sale. The alleged defective unit must be returned to Phillips & Temro Industries, intact, postage or freight prepaid and Phillips & Temro Industries will return the repaired or replaced unit postage or freight prepaid. Final determination of defects shall be

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made by Phillips & Temro Industries in accordance with procedures established by Phillips & Temro Industries. No agent, employee or representative of Phillips & Temro Industries has any authority to bind any affirmation representation or warranty concerning Phillips & Temro Industries products except as stated herein. Phillips & Temro extends no warranties beyond the description of the express non-customer product warranty as stated in paragraph 13, which is in lieu of any other warranty, express or implied, and expressly excludes any warranty of merchantability or fitness for a particular purpose.

Catalog Products

ADDITIONAL TERMS & CONDITIONS

1. MINIMUM ORDER: All orders must be in excess of \$400.00.
2. INTENTIONALLY LEFT BLANK
3. PRODUCT SPECIFIC WARRANTY: See warranty page in Product Catalog.
4. RETURN GOODS POLICY: To return product, a Return Material Authorization (RMA) must be obtained from Phillips and Temro by calling 800-328-6108.,

Special and/or Custom Products

ADDITIONAL TERMS & CONDITIONS

1. Prices are quoted subject to revision in the event of increases in the cost of raw materials or purchased components.
2. Custom products may not be returned. No custom products will be fabricated without a signed customer authorization.
3. CANCELLATION: Cancellation of orders after materials have been purchased to meet the stated delivery schedules will result in a charge representing the cost of materials for the open order(s). Any raw material, tooling expenditures, freight costs, or committed purchase costs that are incurred as a result of an order cancellation, purchase order changes or design changes shall be borne by the customer. Cancellation at any time after the order is received at Phillips & Temro Industries will be subject to a 50% restocking charge. NO CANCELLATIONS WILL BE ACCEPTED WITHIN 45 DAYS OF THE SCHEDULED SHIP DATE AS ESTABLISHED BY THE ACKNOWLEDGED CUSTOMER PO. RMA'S FOR RETURNED GOODS NOT YET PAID, WILL ONLY BE ISSUED UPON RECEIPT OF A REVISED PO TO COVER THE COST THE OF THE CANCELLATION FEES, PLUS ANY MISSING OR DAMAGED MATERIALS.

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