

# STANDARD TERMS AND CONDITIONS

The following Standard Terms and Conditions shall apply to all sales of goods and services by U.S. Tool Services, U.S. Tool Grinding, and/or U.S. Tool Group (collectively "U.S. Tool"), all divisions of U.S. Tool Grinding, Inc., a Missouri corporation. Exceptions to the following are deemed effective only if pre-established in writing by an authorized employee or agent of U.S. Tool.

1. CREDIT EXTENSION AND BILLING TERMS – U.S. Tool extends credit with the understanding that all invoices will be paid by conventional means within 30 days of invoice date. Remittance is to be made to U.S. Tool Grinding, Inc. B 221, P.O. Box 790120, St. Louis, MO 63179-0120, or as revised on invoices.

2. ACCEPTANCE OF ORDERS – Except for orders secured by a U.S. Tool driver in a U.S. Tool-owned vehicle, Customer is responsible for cost of freight and delivery of orders to U.S. Tool. Orders of dull or worn cutting tools received by U.S. Tool will be deemed as duly authorized requests for service and will be processed, delivered and invoiced by U.S. Tool following its normal operations. Exceptions to the foregoing, including requirements by the Customer, if any, regarding formal purchase order approval or other special instruction, shall be defined in writing in advance of said orders being furnished to U.S. Tool. Customer acknowledges that as pricing for services varies from tool to tool, U.S. Tool cannot provide a specific quote or total price of any new order in advance of processing it, unless Customer agrees first in writing to a sorting and cleaning fee plus a reasonable fee for compiling said quote. All sales and orders are subject to final approval by U.S. Tool.

3. QUOTED PRICES – In the absence of firm written price quotes or other written arrangements, prices charged are those per the most recently published price lists by U.S. Tool, as updated from time to time.

4. DELIVERIES – Goods will be delivered either by U.S. Tool-owned vehicle, common carrier, UPS, or other public delivery system. Goods delivered by U.S. Tool-owned vehicle will be unloaded at the Customer's delivery site, with the Customer responsible for continued delivery to the ultimate installation point.

5. FREIGHT – Freight or postage fees will be added to our invoices to cover the cost of shipping by U.S. Tool to the designated Customer location. Invoices for orders shipped C.O.D. will include said freight or postage fees.

6. TAXES – Sales tax will be added to any invoice in which corresponding taxable goods or services are delivered within a state in which U.S. Tool has established nexus and is duly registered. Responsibility for furnishing applicable tax exemption forms to U.S. Tool resides with the Customer.

7. RETURNS – No return will be accepted at U.S. Tool without prior authorization and issuance of a Return Material Authorization ("RMA") number. Only items in original condition and packaging or defective items are eligible for return. Customer will bear the cost of return freight or postage. Credit for standard merchandise is subject to approval by the original manufacturer, and Customer agrees to bear the cost of restocking fees of said manufacturer, should they apply. Orders viewed by the original manufacturer as non-standard are not returnable. The remedy for valid returns will be a credit issued in credit memorandum form by U.S. Tool to Customer reversing the original invoicing or portion thereof.

8. CLAIMS – Claims for damages during shipment should be filed directly with the specific carrier. Claims for other damage, or claims in connection with deliveries made by a U.S. Tool-owned vehicle, should be made within five (5) working days of order receipt. All quantity discrepancies and/or damage to packaging, corrugate, or contents should be noted on the delivery receipt by Customer's receiving personnel before acceptance. Claims for destruction or theft of Customer property aboard a U.S. Tool-owned vehicle or at a U.S. Tool physical location will be limited to that amount of net insurance proceeds recovered on an adjusted cost value basis ("ACV" by common insurance practices) by U.S. Tool resulting from a claim filed by U.S. Tool with its private insurer.

9. WARRANTIES – If applicable, warranties will apply within ninety (90) days of invoicing. Claims relating to reconditioning services will be limited to either the rework of said services or a credit to offset the amounts invoiced. Claims relating to items manufactured by U.S. Tool will be limited to either the remanufacture of said items or a credit to offset amounts invoiced. Claims relating to items not manufactured by U.S. Tool will be limited to the warranty provided by the original manufacturer. U.S. Tool makes no other warranties, express or implied, including any warranties of merchantability and fitness, nor claims any responsibility for labor charges, research, extraneous fees or other damage resulting therewith.

10. FAILURE TO ABIDE AND COSTS OF COLLECTION – Past due accounts will be assessed a finance and service charge of 1.5% per month (18% per annum) on all past due balances. U.S. Tool reserves the right to withhold shipment of Customer-owned tools processed and still in the possession of U.S. Tool until past due accounts are settled. U.S. Tool has the right to exercise all legal remedies available to protect its interest, including the filing of suit and all manners of lien filing and enforced collection resulting therewith. By establishing a credit relationship with U.S. Tool, Customer agrees to assume and be responsible for all costs of collection incurred by U.S. Tool in the pursuit of payment against account indebtedness, including reasonable and customary fees charged by collection agencies, attorneys, and courts. In the event of suit, venue shall be in St. Francois County, Missouri, or other venue permitted by law.

11. SUCCESSOR OWNERSHIP – If Customer anticipates there will be a transfer of its existing business ownership interest to a successor proprietor, partnership, corporation, estate, trust, assign, heir or other entity continuing Customer's business, Customer will ensure that any indebtedness to U.S. Tool will be assumed by such transferee interest. Should the transferee interest refuse to accept transfer of said balance owed, Customer shall remit all sums owed to U.S. Tool prior to commencing events leading to the transfer of its interest. U.S. Tool reserves the right to separately obtain and evaluate credit information of any successor ownership interest and may, at its sole discretion, revoke any valid written alterations, if any, to these Terms and Conditions.

12. PRODUCT RETAINED DUE TO NON-PAYMENT, NON-ACCEPTANCE OR NON-RESPONSE – If, as a result of Customer non-payment of U.S. Tool invoices, non-authorization by Customer for U.S. Tool to ship or perform services, non-responses by Customer to U.S. Tool inquiries, or other abandonment by Customer, Customer-owned goods remaining in the possession of U.S. Tool beyond six (6) months without resolution may be disposed by U.S. Tool in any manner deemed appropriate by U.S. Tool.

13. TECHNICAL ASSISTANCE OR ADVICE – U.S. Tool shall not be liable for the content or use of technical assistance or advice provided by U.S. Tool, nor shall any statement made by any U.S. Tool representative in connection with any products or services constitute a representation or warranty, express or implied.

14. GENERAL – (a) The laws of the State of Missouri will exclusively govern any dispute between U.S. Tool and Buyer, (b) Buyer may not assign this Agreement without the prior written consent of U.S. Tool, (c) U.S. Tool affiliates may perform obligations pursuant to this Agreement, (d) Products, including software or other intellectual property, are subject to any applicable rights of third parties, such as patents, copyrights, and/or user licenses.

13. OTHER – U.S. Tool may at any time insist upon strict compliance with these Terms and Conditions notwithstanding any previous custom, practice or course of dealing to the contrary.