

Terms and Conditions of Sale

Document Number: D75101

Revision: 01

Revision Date: 07/31/2013

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NOTE: This body of this document is available on the website for review by suppliers prior to doing business with Fastener Tool and Supply, Inc.

The following are the terms and conditions of purchase and sale of products ("Products") being sold by Fastener Tool & Supply, Inc. ("FTS") to Customer:

1. **TERMS AND CONDITIONS.** Other than these terms and conditions, no other terms and conditions shall be binding upon the parties unless such are signed by both parties.

2. **WARRANTY:** FTS warrants that for a period of thirty (30) days after delivery that all Products delivered to Customer hereunder shall be free from any defects in material or workmanship and in conformity with any applicable specifications. Such warranty only extends to Customer. Under no circumstances will FTS be liable for any damages or claims with respect to any goods that Customer in any way or degree has processed or changed in dimensions or characteristics from the Products as ordered. Because of conditions over which FTS has no control attending Customer's use of the Products, Customer's sole and exclusive remedies against FTS will be for the repair or replacement of defective goods or for a credit against the purchase price of the defective Products or other amounts owed by Customer to FTS. The choice of the particular remedy specified above will be at the sole discretion of FTS. Customer shall inspect Products within a reasonable time after receipt, and shall promptly notify FTS of any claimed defect or nonconformity.

The foregoing warranties are in place of all other warranties, express or implied, and FTS expressly excludes and disclaims any liability for any other warranties, including warranties of merchantability and fitness for a particular purpose. FTS disclaims any liability for product defect claims that are due to the misuse, improper selection, or misapplication of the products.

In no event will either party be liable for any special, indirect, incidental, consequential or exemplary damages in connection with or arising out of this purchase, including, but not limited to, damages for injuries to persons or to property or loss of profits or loss of future business or reputation, whether based on tort or breach of contract or other basis, even if it has been advised of the possibility of such damages. In no event will FTS' direct damages exceed the purchase price of the products.

3. **TERMS:** Shipment is F. O. B. shipping point, unless otherwise specifically provided by FTS. Payment is due 30 days from the date of invoice. No cash discounts are allowed unless otherwise specifically provided by FTS. All past due accounts shall bear interest at the lesser of 18% per annum or the highest rate allowed by law. All sums are payable at the address shown on the front of the invoice in U.S. Dollars (USD) unless otherwise stated.

Approved by: J. Rottenborn

Date Approved: 07/31/2013

Originated by: Quality Manager

Original Issue Date: 05/31/2013

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4. **SHIPMENT:** In ordering, Customer will explicitly state the method of shipment preferred. In the absence of such shipping directions, FTS will use its discretion in employing the method of shipment for goods ordered. Insured shipments will be insured at Customer's expense unless otherwise specified. Shipments are made at Customer's risk and expense. Claims for losses incurred in shipments will be made by Customer against the carrier. FTS will provide Customer with reasonable assistance in the preparation and prosecution of such claims but will not be required to institute legal action or employ legal counsel.

5. **QUOTATIONS AND PRICES:** Stenographical and clerical errors are subject to correction. All quotations are for immediate acceptance unless otherwise stated. Until an order is accepted by FTS, quoted prices are subject to change without notice. Prices are based on quantities of individual items authorized for shipment at one time.

6. **CHANGE OF PRICE:** FTS reserves the right to increase prices of goods covered by Customer's order that are unshipped after 30 days of FTS's acknowledgement of order.

7. **ORDER ACCEPTANCE:** All orders are offers, which may be accepted or rejected by FTS, and shipment of ordered goods constitutes acceptance.

8. **TELEPHONED OR TELEGRAPHIC INSTRUCTIONS:** FTS accepts no responsibility, and Customer will not hold FTS responsible, for errors or misunderstandings in complying with orders or instructions given to FTS by telephone or telegraph.

9. **TAXES:** Applicable state and local tax will be charged on orders, unless Customer provides FTS with an exemption certificate.

10. **SECURITY INTEREST:** Customer grants to FTS a priority lien, security or collateral interest in the Products and any accounts receivable or cash from the resale of the Products until full payment is received, with respect to any sales on open account. Customer shall complete and cooperate with the submission of any documents necessary to validate or enforce FTS's rights hereunder.

11. **CANCELLATION AND RETURNS:** FTS must approve cancellation of any order prior to shipment. Orders for special or nonstandard Products may not be cancelled or returned (except for nonconformities). No goods may be returned to FTS without prior written consent of FTS. Authorized returns will be subject to a minimum restocking charge equal to 15% of the FTS' invoice price. Any returns for shipping errors, damage or loss upon delivery must be reported within 10 days of the delivery date. Mixed lot number, comingled parts and parts not in our original boxes are non-returnable. Except as otherwise agreed, Products will not be accepted for return after 30 days from the date of delivery to the Customer.

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12. **QUANTITIES:** Customer will accept overruns or underruns on individual items up to +/- 10% of the quantity ordered, unless otherwise signed by both parties.

13. **FORCE MAJEURE:** FTS will not be liable or held responsible for any delays or losses resulting, directly or indirectly from Acts of God, severe weather conditions, labor disputes, governmental actions, inability to obtain permits, licenses, raw materials or shipments of Products, war, riots, shortages and any other circumstances or causes beyond its reasonable control.

14. **GOVERNING LAW:** These terms and conditions shall be construed, interpreted and performed according to the laws, excluding conflict of law rules, of the State of Ohio, United States of America. Customer consents to the State of Ohio as jurisdiction for any issue or claim arising from this transaction. Any legal action must be filed and commenced within one year after it arises.

15. **DISPUTE RESOLUTION:** The parties shall exercise their best efforts to resolve by negotiation any and all disputes, controversies or differences arising out of or relating to this Agreement. All disputes, controversies or differences between the parties that are not settled by negotiation shall be decided in accordance with the Commercial Rules of the American Arbitration Association and judgment will be entered on the award. The arbitrator will be bound by the express terms of this Agreement. The site of arbitration will be a mutually agreeable location in northeast Ohio and the arbitrator(s) will be bound by the applicable laws of the State of Ohio.

16. **LIMIT OF LIABILITY:** FTS is a distributor of military, aerospace, commercial and specialty manufactured fasteners. Our product is purchased from manufacturers, mass distributors, importers and custom military/aerospace manufacturers. They are responsible for manufacturing the parts they supply and we believe they are in the best position to properly certify the parts that they make. Where applicable, we maintain complete lot traceability on all products that we supply. Certifications must be requested at the time of quotation. Our expertise is limited to the marketing and distribution of fasteners. We are not a manufacturer or designer. It is the responsibility of those who purchase from us (and their customers who apply these fasteners) to select the proper part and to test those parts at a level that is commensurate with the nature of the application.