

**Reliable Tool & Machine Company, Inc.  
Reliable Production Machining & Welding  
Reliable PMW LLC**

**Terms and Conditions of Sale**

Unless otherwise specifically stated in the verbal or written offer to sell goods submitted herewith (“Sales Quotation”), these Terms and Conditions establish the rights, obligations and remedies of Reliable Tool & Machine Company, Inc., Reliable Production Machining & Welding and Reliable PMW LLC (in aggregate referred to herein as “Seller”) and Buyer, which apply to this offer and any resulting order. All production and sales by Seller are subject to these Terms and Conditions. Seller hereby rejects any and all Terms and Conditions on Purchase Orders or any other documents which purport to reject or modify these Terms and Conditions for production and sale of the items set forth in the Sales Quotation. All Seller Sales Quotations are based upon the quantities and expected production schedules set forth in the Sales Quotation. Upon thirty (30) day written notice, Seller may void any price quotation set forth in such Sales Quotation if the monthly sales volumes realized are substantively different than as stated on the Sales Quotation.

**1. Offer.** These Terms and Conditions of Sale apply to all goods and/or services (“Products”) sold and/or performed by Seller and are incorporated into each and every Sales Quotation (verbal or written), corresponding production order acceptance and any other document relating to such Sales Quotation issued by Seller. The Sales Quotation constitutes Seller’s offer to the Buyer identified in the Sales Quotation to sell the Products identified in the Sales Quotation and otherwise to enter into the agreement the Sales Quotation describes and the Sales Quotation shall be the complete and exclusive statement of such offer and agreement.

**2. Acceptance.** The issuance of purchase order documents against this Sales Quotation offer to sell shall constitute an acceptance of the offer and not a counteroffer and shall create a contract of sale (hereinafter referred to as “Contract”), subject to final credit approval and acknowledgement by Seller. Provisions contained in the purchase order documents issued against the Sales Quotation which materially add to or subtract from the provisions of the Sales Quotation are hereby rejected and shall not be a part of the Contract unless specifically agreed to by Seller in a written acknowledgement.

**3. Delivery, Title and Risk of Loss.** All delivery under the Contract shall be ExWorks Seller’s plant (IncoTerms 2020), unless otherwise stated in the Sale Quotation, and all costs for transportation shall be borne by the Buyer, except where otherwise indicated in the Sales Quotation. Except as otherwise expressly agreed in writing by Seller, title and risk of loss of or damage or delay to the goods supplied under this Contract shall pass to Buyer when Seller delivers the goods to the carrier, which shall be designated by Buyer. Buyer shall contact Seller within seven days of receipt of all goods delivered hereunder to report any product defect or variation from specification. Buyer’s failure to inspect the product within seven days of receipt, or to contact Seller within seven days to report a defect or specification variation or Buyer’s use of the product or delivery to the Buyer’s customer, will serve to void all warranties, expressed or implied, and waive all of Seller’s liabilities for any and all injury or damage to Buyer, Buyer’s Customer or any third party, caused by product defects or failure to follow product specifications.

**4. Prices.** Unless otherwise stated in the Sales Quotation, prices for all products and services hereunder shall not include shipping, handling, transportation, storage, packaging, federal, state, local, sales, excise or other taxes assessed on the sale of products and do not include duties, customs or import/export expenses of any kind. Prices for machining, welding, fabrication and assembly services will remain fixed during the period stated in the Sales Quotation but prices for finished products which include a fluctuating raw material component may be adjusted by Seller based directly upon pricing changes of such raw materials.

**5. End Use.** Determination of the suitability of the goods purchased by Buyer for the use contemplated by Buyer, or Buyer’s customer, is the sole responsibility of Buyer or Buyer’s customer, whichever the case may be, and Seller shall have no responsibility regarding such suitability. Buyer assumes all risk and liability for loss, personal injury or damage to property of Buyer and others, arising out of the use or possession by Buyer of the goods furnished to Buyer by Seller under this Contract.

**6. Warranty and Limitation of Liability.** Except as otherwise specifically set forth herein, Seller warrants only that, for a period of ninety (90) days following delivery, the goods to be supplied shall conform to the description of specifications stated in Buyer's Specifications, Designs or Prints and Buyer represents and warrants by its purchase of goods hereunder that Buyer's Specifications, Designs or Prints are true, complete and accurate in their description of Buyer's needs and Buyer acknowledges that Seller has complied with the production of goods in conformity with said Buyer's Specification. Except as otherwise specifically set forth in this Contract, THIS WARRANTY IS IN LIEU OF ALL OTHER WRITTEN OR UNWRITTEN, EXPRESSED OR IMPLIED WARRANTIES AND SELLER EXPRESSLY DISCLAIMS ANY EXPRESSED OR IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR APPLICATION OF THE GOODS SUPPLIED. Except as otherwise specifically set forth in this Contract, Seller shall not be liable for any incidental, indirect, punitive or consequential damages and Buyer's exclusive remedy and Seller's sole responsibility is limited to, at Buyer's option:

- 1) Replacement or refund of the purchase price of all goods shown to Seller's satisfaction to be other than as warranted;
- 2) Payment to Buyer not to exceed the purchase price of the specific goods for which damages are claimed.

Buyer waives all rights against Seller for any damages to its property or that of a third party, or for injury to any person, however caused, except where such damages or injury is proximately caused by the sole negligence of Seller, its agents, subcontractors, employees, or other representatives, and in no event shall Seller's total liability exceed the purchase price of the products shown to be defective. No person is authorized to give any other warranties or to assume any other liability on the part of Seller, unless agreed to in writing by an authorized officer of Seller.

**7. Design.** Seller is not responsible for the design, specification or engineering of the Products and will not, under any circumstances, provide any warranty, indemnification or other liability or obligation with respect to Products to the extent related to or arising out of the design, specification or engineering of such Products. Suggestions by Seller regarding the design, specification, use or suitability of the Products are made in good faith but are not binding upon any party and do not give rise to any liability by Seller. In all cases Buyer shall have the final authority over all designs, specifications, use and suitability of all Products. Buyer will defend and indemnify Seller against any intellectual property infringement claims brought against Seller because of Buyer's designs or specifications.

**8. Payment.** Unless otherwise specifically agreed to in a Sales Quotation or other document executed by both parties, standard payment terms on all orders are payment in full due no later than thirty (30) days from the date of product shipment. ACH transfer is the preferred method of payment although payment by company check received no later than the due date is also acceptable. Seller may charge a late payment fee and interest at the rate of 2.0% per month on any past due amounts. Buyer will be responsible for Seller's cost of late payment collection including court and attorney fees.

**9. Cancellation and Re-pricing.** Seller reserves the right at all times to cancel any Contract or re-price any product or service, with or without cause, upon no less than thirty (30) days written notice to Buyer.

**10. Excusable Delay.** Seller shall not be responsible for production or performance delays or stoppages caused by elements beyond its control including, but not limited to, (i) an act of God or of public enemy or war (declared or undeclared) or of persons engaged in subversive acts, espionage or civil commotion, (ii) an act of governmental or quasi-governmental persons, government regulations or restrictions imposed by law or by court action, (iii) a fire, flood, earthquake, explosion or other catastrophe, (iv) an epidemic or quarantine restriction, (v) a strike, slowdown, lockout or labor stoppage, or (vi) a failure of usual sources of supply of materials, parts, power or transportation.

**11. Service and Replacement Parts.** Unless otherwise expressly stated in the Sales Quotation, Seller shall have no obligation or liability to Buyer for past model service or replacement parts. Seller will provide a new sales quotation for such service and/or replacement parts at the end of the regular production.

**12. Governing Law.** These terms and conditions, the Contract and all agreements that arise from the Sales Quotation shall be construed and governed in accordance with the Laws of the State of Indiana. Any action to interpret or enforce the Contract must be brought in the State Courts sitting in Noble County, Indiana or the Federal Courts sitting in Allen County, Indiana. The prevailing party in any action to enforce the Contract and/or Terms hereof shall be entitled to collect all costs of such action including court and attorney fees.