



## TAURUS ENGINEERING TERMS AND CONDITIONS

1. New accounts will be opened only on completion of credit agreement, and W9 otherwise other arrangements must be made.
2. All quotations are based on Buyer accepting overrun or underrun on each individual item not to exceed 5% of quantities ordered. Where closer control of quantity is required, special arrangements must be made. Quantities are quoted for release for manufacture and shipment at one time.
3. Unless otherwise specified by Seller on the face of this document, Sellers' price for the goods manufactured by Seller will remain in effect for thirty days after the date of Seller's quotation for the goods. [The price for goods sold by Seller, but manufactured by others, shall be Seller's price in effect at the time of shipment to Buyer.] Buyer shall be responsible for any all taxes or governmental charges in effect at the time of quotation or arising later related to the production, sale, or delivery of the goods/or the procurement of materials for the goods. Prices may be adjusted to reflect changes in material cost between time of quotation and time of shipment.
4. Standard payment terms for molded components and assemblies are Net [30] days from date of invoice [on approved credit]. No production parts will be shipped until the tooling is paid for in full. Customer pays all freight and shipping charges. All orders are F.O.B. St. Paul, MN. With a customer signed personal guaranty our standard tooling payment terms are 50% down at order placement and the balance [50%] due when samples are run. Without a customer signed personal guaranty all tooling is 70% down at order placement and the balance is due when samples are run. Any NRE activity that is quoted is a 100% downpayment. Past due accounts will be charged a monthly finance charge of 1.5% [18% per annum] and are subject to collection. Shipments may be suspended until the account is paid. Any payment terms outside of our standard terms & conditions will be noted on our quote and they will supersede our standard payment terms. Seller has the right, among other remedies, to terminate the parties' relationship, suspend further deliveries under this and other agreements with Buyer, or to change or reduce the payment terms in the event Buyer fails to make any payment when due or upon the occurrence of one of the following events: a) Buyer's insolvency or the threat of Buyer's insolvency; b) Buyer, or a third party on behalf of Buyer, files a petition under the bankruptcy laws; c) an assignment for the benefit of Buyer's creditors; or d) a receiver is appointed for Buyer or its property. Buyer shall be liable for all expenses attendant to collection of past due amounts, including attorneys' fees.
5. Orders may be cancelled only upon the condition that the Buyer assumes immediate liability and makes payment to the Seller for: all work complete at the unit price; work in process on the basis of the percentage of completion thereof multiplied by the order unit price; raw material, tooling, engineering and other cancellation charges incurred, on the basis of cost to the Seller plus handling and overhead charges.
6. Any orders resulting from this quotation will be accepted with the understanding that any tooling identified herein is for the use of producing parts for the Buyer only. Such tooling is the property of the Buyer. Seller shall have a lien upon the tools and dies of Buyer, which are in Seller's possession. The lien shall be for the value of labor, materials, finished parts and services furnished by Seller to Buyer. Seller shall have the right to sell, assign or otherwise dispose of the tools and dies for Seller's own account if Buyer fails to pay any amount owed to the Seller within 90 days after such amount is due.
7. When the quantities produced on tools exceed normal productive life, Seller will quote Buyer the necessary repairs or replacements subject to the Buyer's approval. Buyer understands that tooling requiring unique pick-out inserts are not warranted and are typically the result of tooling cost savings or part design.
8. Buyer agrees to pay for changes in tools and dies made necessary by changes in blueprints and/or specification requirements. Normal production life of tools or dies may be shortened because of these changes as they may affect the original design of the dies.
9. Buyer agrees to pay nominal storage charges for inactive tooling, failure to respond may result in tooling being scrapped. Tooling removed from Sellers premises will require prepayment of account balance to include preparation charges of tooling, unique raw materials, which were purchased to accommodate orders or minimum purchases.
10. It is not the intention of the Seller to manufacture any product, which is an infringement of a third party's intellectual property rights including, but not limited to, patents, trademarks, and copyrights. Parts are made by the Seller strictly to dimensional specifications furnished by the Buyer. Buyer will defend and save harmless the Seller from all expenses involved in any claims for damages from infringements by the use or sale of parts made by the Seller, either as such or as parts or units of complete entities, except for such parts as Seller manufactures under Seller's own patent rights.



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11. The Buyer should state explicitly the method of shipment preferred and, in the absence of shipping directions, Seller will use discretion. Packages will be shipped at the Buyer's expense unless otherwise specified. All Deliveries are F.O.B. origin, unless otherwise specified in writing. Seller is not liable for packages lost or damaged in transit unless otherwise specified. Any packaging other than bulk packaging must be specifically stated, and additional charges will be made accordingly.
12. Custom molded parts will be shipped and billed and shall be paid for at the approximate rate of production indicated. No custom molded parts are carried in stock unless authorized by Buyer.
13. Unless specifically stated to the contrary, quotations are made and orders are accepted for delivery as timely as manufacturing production reasonably permits, and a commercially reasonable effort will be made to fill orders within the time promised. The Seller does not assume responsibility for any damages due to delays.
14. Buyer is responsible for providing usable CAD files in requested format and correctness of all data before use in Tool design and manufacturing. All tolerances are to be centered about CAD geometry unless otherwise specified. Quotes are subject to review and change upon receipt of finalized engineering data. Technical information is given only to describe what is offered for your consideration; buyer is responsible for product design.
15. Inserts supplied by Buyer must include 10% additional inserts over and above amount required to fill the order for molded pieces and shall be delivered F.O.B. to Seller's plant all charges prepaid. If inserts are shipped collect, Seller will invoice Buyer for the transportation charges, plus a 20% handling charge. If Buyer does not include 10% additional inserts and some inserts must be reclaimed, Buyer will be charged for the cost of reclaiming these inserts plus up to 10%. All inserts are subject to approval of design by Seller, must be uniform to approved blueprint tolerances and free from oil and burrs. Seller assumes no liability for damages to tools or dies caused by incorrect inserts, nor for molded parts in which inserts were furnished by Buyer and found defective after molding.
16. EXCEPT AS PROVIDED HEREIN, SELLER MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER WITH RESPECT TO THE GOODS. If, within thirty days after the date of shipment Buyer discovers a part that does not conform to specifications, Buyer shall so notify Seller in writing. Seller will, at its option after inspecting the nonconforming goods, and as Buyer's sole and exclusive remedy, promptly repair, replace, or extend credit F.O.B. point of manufacture to that portion of the goods found by Seller to be nonconforming. Failure by Buyer to give timely written notice of nonconformance as required herein is deemed an absolute and unconditional waiver of Buyer's claim for nonconformance. Buyer must obtain a "Returned Material Authorization Number" from Seller prior to returning parts. Seller may require a sample of the nonconforming parts for analysis before authorizing return. Repair, replacement or credit will not be performed or issued on any parts which have been altered or defaced in any way or upon which an additional operation has been performed. Seller will not be responsible for disassembling costs or cost of any parts in an assembled unit. All replacements or repairs necessitated by inadequate preventative maintenance, normal wear and usage, fault of Buyer, attack or deterioration under unsuitable environmental conditions, or any other cause are not covered by this limited warranty and are at Buyer's expense. Seller is not obligated to pay any costs or charges incurred by Buyer or any other party except as may be agreed upon in writing in advance by an authorized representative of Seller. It is understood and agreed that Seller will not be liable for the design and use of molded parts furnished on Buyer's order, and that Buyer expressly agrees to assume all liability for the design and use thereof and to indemnify and save Seller harmless from any and all claims, demands, damages, action of whatsoever kind or nature resulting therefrom.
17. SELLER IS NOT LIABLE FOR DAMAGES CAUSED BY DELAY IN PERFORMANCE. THE SOLE AND EXCLUSIVE REMEDY HEREUNDER IS LIMITED TO REPAIR, REPLACEMENT OR CREDIT, IN SELLER'S SOLE DISCRETION UNDER THE LIMITED WARRANTY CLAUSE IN THIS AGREEMENT. IN NO EVENT, REGARDLESS OF THE FORM OF THE CLAIM WHETHER BASED IN CONTRACT, INFRINGEMENT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE, WILL SELLER'S LIABILITY TO BUYER OR ANY THIRD PARTY EXCEED THE PRICE TO BUYER OF THE SPECIFIC GOODS MANUFACTURED BY SELLER GIVING RISE TO THE CLAIM. BUYER AGREES THAT IN NO EVENT SHALL SELLER'S LIABILITY TO BUYER OR ANY THIRD PARTY INCLUDE INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. THE TERM "CONSEQUENTIAL DAMAGES" INCLUDES, BUT IS NOT LIMITED TO: LOSS OF ANTICIPATED PROFITS, LOSS OF USE, LOSS OF REVENUE, COST OF CAPITAL, AND DAMAGE OR LOSS OF OTHER PROPERTY OR EQUIPMENT.