

SALES TERMS AND CONDITIONS

WE GLADLY ACCEPT YOUR ORDER, BUT THIS ACCEPTANCE IS EXPRESSLY MADE CONDITIONAL ON ASSENT TO OUR ADDITIONAL AND DIFFERENT TERMS AND CONDITIONS.

The following are the terms and conditions (Terms and Conditions) for the sale of products (Products) by Rogers Machinery Company, Inc. (Rogers) to Rogers customers (Customer). These Terms and Conditions shall apply to the exclusion of all other terms referred to in any purchase order, acknowledgment, confirmation or any other documentation issued by either party, unless agreed in writing and signed by an authorized representative of Rogers. Rogers reserves the right to amend these Terms and Conditions at any time.

1. ORDERS. Orders will be initiated by Customer issuing a purchase order to Rogers. Orders must identify the Products, unit quantities, part numbers, descriptions, applicable prices and requested delivery dates. Orders are subject to Rogers' acceptance. Rogers reserves the right to refuse to conduct business with any person.

2. PRICES. Orders are billed at the prices (in US dollars) in effect at the time of order confirmation. The price list reflects the latest pricing information available at the time of printing, which is subject to change, without notice. Non-standard Products will be sold at the prices set out in the relevant quotation supplied by Rogers. Prices for any rescheduled deliveries may be increased by Rogers in the event of an increase in Rogers' prices or costs or causes beyond Rogers' reasonable control. Prices do not include federal, state and local sale, use, excise and similar taxes that apply to Products, which Customer will also pay at the applicable rate unless an original signed tax exemption certificate is received by Rogers.

3. PAYMENT AND TERMS. Orders are subject to credit approval by Rogers, which may in its sole discretion at any time change the terms of Customer's credit or require advance or progress payments or payment by official bank check. Customer will submit such financial information as Rogers may reasonably require for determination of credit terms. If credit has been granted and Customer fails to pay any invoice when due, Rogers may defer deliveries under this or any other contract with Customer, except upon receipt of satisfactory security for or cash in payment of any such invoice. If, in the judgment of Rogers, the financial condition of Customer at any time prior to delivery does not justify the terms of payment specified, Rogers may require payment in advance or cancel any outstanding order, whereupon Rogers is entitled to reasonable cancellation charges. Customer grants Rogers a purchase money security interest in the optioned equipment until paid in full and Customer grants Rogers limited Power of Attorney to sign UCC-1 and UCC-3 forms for the purpose of protecting Rogers' interest.

With approved credit, domestic orders under \$25,000 payment terms shall generally be Net 30 days from date of shipment. Domestic orders over \$25,000 shall be subject to progress payments based upon milestone conditions. All progress payment invoices are due Net upon receipt, except as otherwise authorized.

Checks are accepted subject to collection and the date of collection will be deemed the date of payment. Any payment received from Customer may be applied by Rogers against any obligation owing by Customer to Rogers under this or any other contract, regardless of any statement appearing on or referring to such payment, without discharging Customer's liability for any additional amounts owing by Customer to Rogers. The acceptance by Rogers of such payment will not constitute a waiver of Rogers' right to pursue the collection of any remaining balance. If Customer fails to make payment when due, without prejudice to any other right or remedy, (i) overdue sums will bear interest to date of payment at the annual rate of 18% or such lower rate as may be the maximum permitted by law; and (ii) Rogers will

be entitled to reimbursement for all costs of collection and attorney's fees. The limit per credit cards transaction is \$5,000 and the card must be presented at the time of purchase.

If Rogers has not granted credit to Customer payment terms are cash on delivery. COD orders totaling \$500.00 or more must be paid with certified funds (certified check, money order or cashier's check). Most carriers will not accept cash and require payment by check of some form regardless of the total. There is a \$25.00 service charge on all returned checks.

Refer to INTERNATIONAL ORDERS for payment terms for foreign shipments and to foreign Customers.

4. DELIVERY AND TITLE. All shipment charges shall be paid to Rogers by Customer in addition to the purchase price of the Products (unless otherwise agreed in writing with the Customer). Selection of the carrier and delivery route will be made by Rogers unless specifically designated by Customer. Rogers will aim to initiate shipment and deliver the Products as close as possible to Customer's requested delivery date(s). Customer acknowledges that shipment and delivery dates provided by Rogers are estimates only and that Rogers will not be liable for failure to achieve such dates (unless otherwise agreed to in writing with the Customer). Delivery to a carrier at Rogers' premises will constitute delivery to Customer, and risk of loss or damage to the Products will pass to Customer and carrier at this point. Customer will be responsible for any loss or damage in transit and the filing of a freight claim if necessary. Title to the Products shall remain with Rogers until payment in full for the Products by Customer.

5. CANCELLATIONS AND RETURNS. Customer may, without charge, cancel an order for standard Products provided the order is scheduled for shipment by Rogers more than 60 days after Rogers receives written notice of cancellation from Customer. Standard Products include Products which are not special orders, customarily in stock, and are not made-to-order items. Customer may only cancel an order for standard Products scheduled for shipment by Rogers within 60 days after Rogers receives written notice of cancellation if accepted by Rogers in its sole discretion, which acceptance may be subject to Customer accepting a cancellation fee determined by Rogers. Customer may only reschedule an order if accepted by Rogers in its sole discretion. Orders may not be cancelled or rescheduled after delivery by Rogers to the carrier.

Customer may not cancel orders for non-standard Products or Engineering services unless by mutual agreement based upon payment to Rogers of a reasonable cancellation charge. Non-standard Products include, without limitation, Products which are special orders, products not customarily in stock, and made-to-order items.

Goods may not be returned without Rogers prior written authorization and may be subject to a restocking charge. Authorization must be obtained from Rogers prior to returning any Product by submitting a return goods authorization (RGA) request to the Rogers personnel who originated the sale transaction. Authorized returns shall be returned at the Customer's sole expense, freight prepaid.

Customer is deemed to have accepted the Products unless written notice of rejection is received by Rogers within 60 days after delivery.

CANCELLATION SCHEDULE

Unless expressly agreed to in writing on a specific contract or order, our standard cancellation schedule shall apply.

- I. Prior to release for production
 - 20% of the product price
- II. After release for production
 - 40% of the base product price
 - 100% of ordered non-standard equipment
- III. After start of production
 - 60% of the base product price
 - 100% of non-standard equipment
- IV. After production is complete
 - 80% of the base product price

- 100% of non-standard equipment

6. STORAGE CHARGES. Charges will start accruing upon the day after the agreed upon ship date. Unless expressly agreed to in writing on a specific contract or order, the standard storage rates shall apply. The rate for storage is \$400 for the first week plus transit fees. After the first week the prevailing storage rate will apply.

7. LIMITED WARRANTY. Rogers warrants to Customer that Products purchased hereunder will be free from defects in workmanship and materials under normal use in service. Under this warranty, Rogers has the option to either refund the purchase price or repair or replace any defective workmanship or part. If Rogers breaches this warranty, Customer's remedy is limited to (at Rogers' election) (1) refund of Customer's purchase price for such Products (without interest), (2) repair of such Products, or (3) replacement of such Products; provided that such Products may be returned to Rogers, along with acceptable warranty claim submission documentation, transportation charges prepaid, within a reasonable time period. No warranty will apply if the Product has been subject to misuse, neglect or damage.

Rogers will transfer to Customer all warranties applicable to an assembled product purchased per the specific product warranty statement. In some circumstances, Rogers acts as a distributor of products manufactured by other companies. Thus, Rogers expressly limits its guarantees and warranties for products sold hereunder to those extended and allowed by the manufacturing company to be passed through to Rogers customers. Details of all warranties can be made available to Customer on request.

SAVE AS EXPRESSLY PROVIDED IN THESE TERMS AND CONDITIONS, ALL IMPLIED WARRANTIES, TERMS AND CONDITIONS (WHETHER STATUTORY OR OTHERWISE) ARE EXCLUDED TO THE FULLEST EXTENT PERMITTED BY LAW. IN PARTICULAR, ROGERS MAKES NO WARRANTY RESPECTING THE MERCHANTABILITY OF THE PRODUCTS OR THEIR SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE.

8. LIMITATION OF LIABILITIES. CUSTOMER SHALL NOT BE ENTITLED TO, AND ROGERS SHALL NOT BE RESPONSIBLE OR LIABLE FOR CONSEQUENTIAL, COLLATERAL OR SPECIAL LOSSES OR DAMAGE, LOSS OF PROFIT, MALFUNCTION CAUSED BY FAIR WEAR AND TEAR, ABNORMAL CONDITIONS OF USE, ACCIDENT, NEGLIGENCE OR MISUSE OF EQUIPMENT OR IMPROPER STORAGE, IMPROPER OPERATION, MAINTENANCE, NON-OEM PARTS, OR REPAIR, DAMAGE RESULTING DURING SHIPMENT OR INSTALLATION BY OTHER THAN COMPANY AUTHORIZED PERSONNEL. IN NO EVENT SHALL ROGERS BE LIABLE FOR ANY CLAIMS WHETHER ARISING FROM BREACH OF CONTRACT, OR WARRANTY, OR CLAIMS OF NEGLIGENCE OR NEGLIGENT MANUFACTURE IN EXCESS OF THE PURCHASE PRICE PAID.

9. PUBLISHED INFORMATION. Rogers makes every effort to ensure the accuracy of the information published in its literature and website. However, Rogers makes no representations about the information presented, which is provided as-is without warranty of any kind. Product specifications and availability are subject to change without prior notice.

10. FORCE MAJEURE. Rogers will not be liable for delays in delivery or for failure to perform its obligations due to causes beyond its reasonable control, including, but not limited to, product allocations, material shortages, labor disputes, transportation delays, unforeseen circumstances, acts of God, acts or omissions of other parties, acts or omissions of civil or military authorities, Government priorities, fire, strikes, floods, severe weather conditions, computer service interruptions, terrorism, epidemics, quarantine restrictions, riots, or war. Rogers' time for delivery or performance will be extended by the period of such delay or Rogers may, at its option, cancel any order without liability by giving notice to Customer.

11. EXPORT CONTROLS. Products purchased are subject to export control laws, restrictions, regulations and orders of the United States. Customer agrees to comply with all applicable export laws, restrictions and regulations of the United States or foreign agencies or authorities, and shall not export, or transfer for the purpose of re-export, any product to any prohibited or embargoed country or to any denied, blocked, or designated person or entity as mentioned in any such United States or foreign law or

regulation. Customer represents and warrants that it is not on the Denied Persons, Specially Designated Nationals or Debarred Persons List and is not otherwise prohibited by law from purchasing the products or services hereunder. Customer shall be responsible for obtaining any required license to export, re-export or import.

12. GENERAL. The Terms and Conditions may not be modified or cancelled without Rogers' written agreement. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction. The provisions set out in these Terms and Conditions are for the sole benefit of the parties hereto, and confer no rights, benefits or claims upon any person or entity not a party hereto. The Terms and Conditions will be governed by and construed in accordance with the laws of the state of Oregon, other than the conflicts of laws principles thereof, and jurisdiction and venue shall be exclusively in Oregon state of federal court. Customer will not directly or indirectly export, re-export, sell or transfer any Product to any country for which an export license or other governmental approval is required without first obtaining all licenses and other approvals. Customer acknowledges that Rogers and its licensors own the intellectual property rights in the Rogers literature, the content and the stock numbers, and that their whole or partial reproduction without Rogers prior written consent is prohibited.

13. INTERNATIONAL ORDERS. All orders of international origin are exported from the US in accordance with Export Administration Regulations. All taxes, duties, insurance, shipping charges, and other international charges and fees are the responsibility of the Customer. The provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this agreement. All export orders are shipped exworks and minimum order is \$50.00. Information including price quotations, handling, documentation and shipping can be obtained by contacting Rogers Centralia Operations:

Rogers Machinery Company, Inc.

Telephone: 360-736-9356

3509 Galvin Road

Fax: 360-736-8630

Centralia, WA 98331

E-mail: rogers-kseries@rogers-machinery.com

Website: www.rogers-kseries.com

Terms for payment on export orders under \$10,000 are cash prepaid or credit card. Export orders over \$10,000 require the Customer arranging for payment acceptable to Rogers via prepayment, irrevocable letter of credit, documentary collections, or otherwise. Rogers in its sole discretion will determine acceptable payment methods for export orders. International orders shall be subject to progress payments based upon milestone conditions. All progress payment invoices are due Net upon receipt, except as otherwise authorized. All payments for international orders are due in full prior to shipment, except as otherwise authorized.