

IEM

Terms and Conditions of Sale

Effective 09-29-08

GENERAL CONDITIONS:

Prices are subject to change without notice. Product is invoiced at the price in effect at the time of order. All orders are subject to acceptance by IEM. These Terms and Conditions may only be modified by a contract amendment issued by IEM. THE TERMS AND CONDITIONS IN THIS DOCUMENT TAKE PRECEDENCE OVER ANY OTHER TERMS AND CONDITIONS ON CUSTOMERS' FORMS OR EXPRESSED OR IMPLIED IN OTHER IEM DOCUMENTATION. THE PROVISIONS CONTAINED IN THESE TERMS AND CONDITIONS SHALL CONTROL IN THE EVENT OF ANY INCONSISTENCY BETWEEN ANY OF THE PROVISIONS OF THESE TERMS AND CONDITIONS AND THE PROVISIONS OF ANY OTHER DOCUMENT, INCLUDING BUT NOT LIMITED TO ANY FORMS, TERMS AND CONDITIONS OR PURCHASE ORDERS, WHETHER PRESENTED BY CUSTOMER OR IEM.

CHANGES:

Buyer agrees not to make changes to the materials, specifications or to the delivery schedule set forth on the face hereof without the prior written consent of Seller

PAYMENT:

All amounts payable shall be paid in United States funds. Should Seller at any time consider that conditions do not warrant shipment on the terms of payment stated in this contract, Seller shall have the right to change the terms of payment and/or require payment as a condition of shipment, notifying Buyer whenever this right is exercised. Seller shall not be required to proceed or continue with performance of Buyer's order while Buyer is in default under this or any other contract with Seller or upon the dissolution, liquidation, suspension of business or insolvency of Buyer or the commencement of any proceeding under any bankruptcy or debtor law by or against Buyer. If progress payments are specified herein, Seller may suspend production, shipment or delivery until all such payments then due are paid in full by Buyer. Acceptance by Buyer of each delivery shall constitute a separate contract with respect to the amount thereof. Seller may recover for each shipment as a separate transaction, without reference to any other shipment.

TAXES:

In the event that Seller may be required to pay any excise, sale or use taxes, duties or other charges or increases upon the manufacture, sale or transportation of the materials sold not now specifically included in the price on the face hereof, Buyer shall reimburse Seller for same.

TERMS:

Customers must be credit approved by IEM Company before orders will be accepted from them. IEM Company's payment terms are 1% 10 days, Net 30 in U.S. funds. Discount is allowed on the cost of product only.

WIRE TRANSFERS:

For payments by Wire Transfer, please contact the IEM Customer Service for more information.

DELIVERY:

All shipping dates quoted are based on the date leaving the manufacturing facilities or distribution centers.

EXCUSABLE FAILURE TO PERFORM:

Failure of Seller to make delivery when due, if such failure is due to any contingency beyond the control of Seller such as, but not limited to, acts of God, bad weather, strikes or other labor disturbances, shortages of or inability to obtain raw materials, utilities, fuel, transportation or equipment, fire, floods, explosions or other casualties, wars or civil disturbances, insurrection or riots, breakage or accident to machinery or equipment, compliance with any federal, state or local law, order or regulation or any other cause beyond such control (including a failure of any supplier or contractor to perform) interfering with the manufacturing or shipment of the materials affected shall not subject Seller to any liability to Buyer.

LIABILITY:

In no event shall Seller be liable to Buyer for consequential or incidental damages. In the event that the materials do not conform to the contract, Buyer's exclusive remedy, whether in contract, negligence, special liability or otherwise, is to secure repair or replacement of the materials as specified above.

WARRANTY:

Seller warrants that all new materials of its manufacture delivered to the original Buyer by Seller shall conform to the written specifications of Buyer and shall be free from defects in material or workmanship under normal use and service for a period of six (6) months from date of shipment. Seller makes no warranty with respect to materials which are manufactured by others. Any materials not manufactured by Seller are sold only under such warranty as the manufacturer gives to Seller. Seller makes no guaranty as to the enforceability of such warranty but shall use reasonable efforts to assist Buyer in asserting a claim under such warranty of the manufacturer. Buyer's exclusive remedy is to secure repair or replacement at Seller's option, of any portion of the materials of its manufacture, which, upon prior inspection by Seller, shall prove to have been defective. Upon notification by Buyer Seller will either request that the materials be returned F.O.B. Seller's plant or Seller may elect to make inspection at Buyer's plant. Materials found defective by Seller during such warranty period will be replaced F.O.B. Seller's plant. The provisions of this warranty shall not apply to materials which have been subject to accident, overloading, misuse or negligence by Buyer, its agent, employees, contractors or invitees, or which shall have been installed, maintained, repaired, or altered by other than Seller in any way so as, in the reasonable judgment of Seller, to affect adversely its performance and condition, nor to the replacement of parts required for normal maintenance services, nor to deterioration due to normal wear and tear. THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

TRANSPORTATION:

The IEM Company Components shipping department will be guided by your routing instructions. If routing is not specified, shipment will be forwarded the best way in accordance with IEM Company's past experience. All shipments are made F.O.B. shipping point. If Buyer requires a means of transportation other than that selected by Seller, any extra cost incurred by reason of using such other means shall be paid by Buyer.

TITLE:

Title and risk of loss to all materials sold shall pass to Buyer upon Seller's delivery to carrier at point of shipment (whether or not Seller pays any part of the freight) or if Seller stores the materials for the account of Buyer at Seller's facility, then title and risk of loss shall pass to Buyer at the time of storage.

CLAIMS:

Buyer shall inspect the materials and accept or reject within 10 business days after delivery of the materials at Buyer's facility. If the materials shall appear not to conform to the contract, Buyer shall notify Seller of such condition, and allow Seller a reasonable opportunity to inspect the material. No materials shall be returned by Buyer without Seller's prior written consent. If the materials furnished to Buyer shall fail to conform to the contract, Seller shall furnish instructions to Buyer for the replacement of such nonconforming material at Seller's expense.

INFRINGEMENT:

If a claim is made or an action is brought or threatened for infringement of any patent, trademark, tradename or copyright, or any related litigation, arising out of the manufacture or sale of the materials in accordance, in whole or in part, with the designs or specifications of Buyer, Buyer shall indemnify Seller against any and all damages, liabilities, losses, and expenses, including reasonable attorneys' fees, incurred by Seller in connection with such claim or action and shall defend such action at Buyer's expense if requested by Seller.

SELLERS PROPERTY:

All jigs, fixtures, dies, tools, patterns or other special equipment charged by Seller to Buyer shall remain the property of Seller. All designs, drawings, specifications or other technical information disclosed by Seller to Buyer and any modifications or improvements thereof shall (i) be the property of Seller and shall be treated as confidential by Buyer and shall not be disclosed to others without the prior written approval of Seller, (ii) be used by Buyer only in connection with its use of the materials sold by Seller, (iii) not be used by Buyer for the production of materials by Buyer or any third party without the prior written consent of Seller and (iv) be delivered to Seller at its written request upon completion or termination of this order provided, however, that this confidentiality obligation shall not apply to information which is made available to the general public.

ASSIGNMENT:

This contract is not assignable by Buyer in whole or in part without the prior written consent of Seller.

ENTIRE AGREEMENT:

No statement of agreement, oral or written, made prior to or at the signing hereof, shall vary or modify the written terms hereof. Neither party shall claim any modification, waiver or release from any provision by mutual agreement unless such agreement is in writing signed by the other party. No modification or addition to this contract shall be

affected by the acknowledgement or acceptance by Seller or any purchase order or other documents submitted by Buyer containing additional or different terms or conditions.

APPLICABLE LAW:

This contract and the respective rights and obligations of the parties shall be governed by and construed according to the laws of the state in which the materials are shipped from.

Sales and Ordering Information

MINIMUM ORDER:

Our minimum order is \$25.00 net for product only.

ORDERING CUT-OFF TIMES:

We are publishing ordering cut-off times so the IEM Company Distribution Center has enough time to pick, pack, and ship your orders accurately.

- **Truck LTL Shipment**
Orders must be received at IEM Customer Service by 4:00pm EST one business day prior to the requested shipping day.
- **UPS Ground Shipments.**
Orders received at the IEM Customer Service by 2:00 pm EST will ship the same day as long as the item(s) are available from stock, and a maximum of 10 cuts of wear strip, urethane, or Marshmallows. Orders received after 2:00 pm EST and exceptions per the above will ship the following business day.
- **UPS Red and Blue Shipments.**
Orders received by 3:30pm EST will ship the same day as long as the item(s) are available from stock, and a maximum of 5 cuts of wear strip, urethane, or Marshmallows. Orders received after 3:30pm EST and exceptions per the above will ship the following business day.
- **Federal Express Shipments.**
Orders received by 1:00pm EST in order to ship the same day. Orders received after 1:00pm EST will ship the following business day.
- **DHL Shipments.**
Orders received by 10:00am EST in order to ship the same day. Orders received after 10:00am EST will ship the following business day.

ORDER CANCELLATIONS:

Orders cancellations can be faxed, emailed, or called into your IEM Customer Service Representative.

- **Specials and Cut-to-order product**
Order cancellations for special manufactured products, modified products, non-standard items will be invoiced at the amount of work completed at the time of the cancellation. We will ship the partially completed items per the customer's request. Cut wear strip already cut at the time of request for cancellation will be shipped and invoiced as ordered.

IEM Company Return Policy

PRODUCT RETURNS:

All product returns, including defective product, must have prior authorization and include a return goods authorization (RGA) number on the outside of the box and/or skid. If a return does not have a RGA number on the outside of the box and/or skid, the shipment will be refused and returned to the sender. Contact your IEM Customer Service Representative for a RGA number.

Returned goods must pass inspection prior to credit being issued. All items returned must be in new condition and ready for resale. All RGA numbers will be cancelled if the item or items are not returned within 30 days of the issue date. Returned product must be packaged and identified to avoid shipping damage and make return handling expedient. The products must be returned by the same distributor/customer that purchased the product. Product returned that is damaged will be returned freight collect to the customer.

Authorization will be given for products purchased directly from IEM Company Inc. Re-stocking charges are listed below.

Product Shipped	0 to 3 months	15% Re-stocking Charge
Product Shipped	4 to 6 months	25% Re-stocking Charge
Product Shipped	7 to 12 months	50% Re-stocking Charge

No product shipped more than 12 months from the invoice date will be eligible for return.

The following items are not eligible for return: cut-to-order pieces of wear strip, cut pieces of Marsh Mellow die springs, cut pieces of urethane, special manufactured products, modified products, non-standard items, Milfab cams, in-die tapping, air

presses, gas springs, accubend, punches, and products previously installed in tooling.

- **Drill Heads, Power Units, Die Separators, Die Setters, and motors that have been used are also not eligible for return.**
- **Cams that have been modified are not eligible for return.**

Product that has tool/detail numbers etched on them will be charged a fee to remove them. Removal fees will be quoted prior to the work being performed. If etchings cannot be removed without compromising the tolerances of the product, credit will not be issued and the product will be returned.

Product must be shipped to IEM Company prepaid unless the return is due to our error. All returns must be shipped to the IEM Company. Our Customer Service Representatives will provide you with the shipping address when the RGA number is issued.

Any returns shipped to the IEM Company corporate or sales offices will be refused. Our offices have no loading or unloading capabilities.

IEM Company Components reserves the right to deny credit on any returned merchandise that is not acceptable for resale by the IEM Company Components inspection department, regardless of the date of sale.

IEM Company – Lamina Hydraulic Equipment and Motor Service

SERVICE:

IEM Company has a service facility in Bellaire, Michigan for the hydraulic drill heads, power units, die separators, die setters, and hydraulic motors. A complete evaluation and estimate is done prior to any repairs. The Customer Service Group will contact a representative of your company with a price to service your equipment prior to any repairs being completed. A purchase order number is required before IEM Company will begin any service. When repaired units ship from the IEM Company service facility, they include a warranty of six months (6) from the date of shipment for the replaced or repaired components.

Please contact IEM Customer Service for repair return authorization and a Hydraulic Equipment Repair Form. A Hydraulic Equipment Repair Form must accompany all returned equipment for ensure proper repair.

The shipping address for all repairs: Attn: Hydraulics Department
IEM Company
3650 South Derenzy Road

Bellaire, Michigan, 49615
USA

Product must be shipped to IEM Company prepaid unless the return is due to our error. All returns must be shipped to the IEM Company. Our Customer Service Representatives will provide you with the shipping address when the RGA number is issued.

Any returns shipped to the IEM Company corporate or sales offices will be refused. Our offices have no loading or unloading capabilities.

Power units with serial numbers P-1 through P-999 cannot be serviced or repaired due to obsolete components. However, we offer a \$500.00 trade-in rebate on the purchase of a new power unit for replacement of an out-dated unit with the serial numbers P-1 through P-999. We offer a \$1,000.00 trade-in rebate on the purchase of a new power unit for replacement of units with serial numbers P-1000 and up. To be eligible for the trade-in rebate, the unit must be shipped to our Bellaire, Michigan facility. Please note this offer is valid for the IEM power unit only and not for drill heads.

IEM Company – Lamina Hydraulic Equipment Warranty

WARRANTY FOR HYDRAULIC EQUIPMENT-DRILL HEADS, POWER UNITS, DIE SEPARATORS, DIE SETTERS AND MOTORS.

IEM Company warrants our hydraulic equipment to be free from defects in material and workmanship. Our obligations and liabilities under this warranty, however, being limited to replacing or repairing free of charge, F.O.B. our plant, any parts proving defective under normal use and service and returned within twelve (12) months from date of shipment. The hydraulic motor warranty is six (6) months from date of shipment. IEM Company shall be given written notice of such alleged defect and the opportunity, for a period of ten (10) business days after receipt of such notice, to inspect such machinery or parts before the same is returned to it. The free replacement of a part or parts does not include transportation charges to or from our plant, or cost of installation. IEM Company shall not be liable for damages and/or delays caused by such defective conditions. Any materials not of our manufacture are sold under such guarantee if any, as given by the manufacturers. Perishable parts, such as drills, taps, filters, strainers, etc., are excluded from this warranty. The foregoing warranty is in lieu of all other warranties, and IEM Company makes no other warranties, expressed or implied, including warranty of merchantability or fitness for a particular purpose.

IEM Company shall not be responsible under any circumstances whatsoever for indirect or consequential damages, incidental damages, exemplary or punitive damages, or special damages, including lost profits or lost revenues.

Customer shall have no right to deduct or offset (x) any amounts due or to become due from IEM Company to customer from (y) any amounts due or to become due to IEM Company from customer.

IEM Company – Lamina Hydraulic Equipment Rental Program

IEM Company offers a number of different programs to make it easier to purchase, rent, or lease to own our hydraulic equipment.

RENTAL PROGRAM:

The IEM Company Rental Program is for customers who require the use of its equipment for a short period of time without the commitment of a capital expense. The rental charge is ten (10%) percent of the current list price per week, with a minimum rental period of two weeks. Billing for the first two weeks rental begins when the equipment is shipped and will continue on a weekly basis until the equipment is returned.

Freight charges are the responsibility of the customer. IEM Company will ship "Collect", and the equipment must be shipped back "Prepaid". The shipping and receiving location is below.

Attn: Hydraulics Department.
IEM Company
3650 South Derenzy Road
Bellaire, Michigan, 49615
USA

Rented equipment must be returned to our Bellaire facility. Any equipment returned to the IEM Company corporate or sales offices will be refused. Our offices have no loading or unloading capabilities.

Damages resulting from abuse of the equipment will be the responsibility of the customer. All components must be returned with the rented equipment. All rental equipment must be returned in the original crating in reusable condition or a charge of \$1,000.00 will be invoiced to cover the replacement of new crating.

Contact the IEM Customer Service at (800) 652-6462 or (248) 489-9122 for availability.

Occasionally, IEM Company sells rental equipment. The rental equipment includes a warranty similar to new equipment, except only 90 days. Contact Customer Service for availability.

RENTAL CREDIT PROGRAM:

The IEM Company Credit Program is for customers who returned the rental equipment and decided to purchase new equipment. IEM Company will apply fifty (50%) percent of the rental fee, up to and including the fourth week of rental, toward the purchase of new equipment. IEM Company will reduce the selling price of the new unit by the credit

amount. The credit is offered on the same model that is rented and the offer is valid for 30 days after the completion of the rental.

RENT-TO-OWN PROGRAM:

The IEM Company Rent-to-Own Program is for customers who want to rent rather than purchase capital equipment. If you rent the equipment for 12 consecutive weeks, you own it. The rental equipment includes a warranty similar to new equipment, except for six (6) months.

IEM Company – Lamina Hydraulic Equipment Rental Agreement

IEM COMPANY – LAMINA HYDRAULIC EQUIPMENT RENTAL AGREEMENT

IEM Company will rent hydraulic equipment at ten (10%) percent of the current list price per week, with a minimum rental period of two weeks.

Billing for the first two weeks rental begins when the equipment is shipped and will continue on a weekly basis until the equipment is returned.

Freight charges are the responsibility of the customer. IEM Company will ship "Collect", and the equipment must be shipped back "Prepaid". The shipping and receiving location is:

Attn: Hydraulics Department.
IEM Company
3650 South Derenzy Road
Bellaire, Michigan, 49615
USA

Rented equipment must be returned to our Bellaire facility. Any equipment returned to the IEM Company corporate or sales offices will be refused. Our offices have no loading or unloading capabilities.

Damages resulting from abuse of the equipment will be the responsibility of the customer. All components must be returned with the rented equipment. All rental equipment must be returned in the original crating in reusable condition or a charge of \$1,000.00 will be invoiced to cover the replacement of new crating.

IEM Company will apply fifty (50%) percent of the rental fee, up to and including the fourth week of rental, toward the purchase of new equipment. IEM Company will reduce

the selling price of the new unit by the credit amount. The credit is offered on the same model that is rented and the offer is valid for 30 days after the completion of the rental.

IEM Company will ship "Collect" via _____ (common carrier).

If all of the above is understood and agreed to, please sign and date below.

Signature

Date

Company Name

Telephone Number

Address (Destination)

City and State

Zip Code