

STANDARD TERMS AND CONDITIONS OF SALE

Effective January 3, 2012

I. PRICING:

Prices quoted are for immediate acceptance, unless otherwise stated on the quotation. Although it is BAI's policy to provide advance notice, all prices and terms of sale are subject to change without advance notice. Prices do not include tax.

II. MINIMUM CHARGE:

The minimum charge for items available from stock is \$50.00 unless otherwise specified. The minimum charge for manufactured items is \$200.00 unless otherwise specified.

III. NON-STANDARD PACKAGING:

Requests for special packaging may be subject to additional net charges.

IV. PRODUCT WARRANTY:

BAI warrants its products to be free from defects and to conform to established specifications and drawings. BAI makes no other warranties expressed or implied.

V. LIMITATION OF LIABILITY:

BAI's liability shall be limited to the repair or replacement of products or credit of the purchase price. Under no circumstances shall BAI be liable for incidental, consequential or special damages.

VI. STANDARD PAYMENT TERMS:

2% 10 days, net 30 days. Cash discount does not apply to taxes or transportation charges. Shipments may be suspended if the account balance exceeds the credit limit or the account becomes delinquent. Credit terms and credit limit are subject to change based on experience.

VII. SHIPPING TERMS:

F.O.B. point of shipment. At published pricing, transportation charges are prepaid and allowed on orders calling for shipment to a single destination in the United States, east of the Mississippi (excluding Louisiana and Minnesota), via our normal method on any order having an invoice value of \$2,500.00 or greater. When an order specifies multiple shipments, the invoice value of each shipment must equal or exceed \$2,500.00 in order to qualify for prepaid transportation. At published pricing, transportation charges are prepaid and allowed on orders calling for shipment to a single destination in the United States, west of the Mississippi (including Louisiana and Minnesota), via our normal method on any order having an invoice value of \$3,500.00 or greater. When an order specifies multiple shipments, the invoice value of each shipment must equal or exceed \$3,500.00 in order to qualify for prepaid transportation. Transportation charges for orders or shipments which do not qualify, as described above, will be shipped collect or prepaid and added to invoice. Requests for shipment by other than our normal method of transportation will be honored whenever possible and the equivalent cost of our normal method will be allowed.

VIII. OVER / UNDER SHIPMENT POLICY:

Unless otherwise instructed, orders will be shipped within +/- 10% of specified order quantity.



IX. TRANSPORTATION:

Since our terms of sale are F.O.B. point of shipment, title passes to the consignee when the shipment is tendered to the freight carrier. If damage is incurred on a shipment while in transit, it becomes the consignee's responsibility to file claim with the carrier. In order to properly file a claim with the freight carrier, it is extremely important the following four steps be followed:

- Consignee should inspect all packages and contents for any damage upon arrival.
- Visual damage to shipping container / contents must be noted on carrier's freight bill.
- Carrier inspection must be requested immediately as carrier responsibility for concealed damage expires 15 days after delivery.
- Contents must be retained in original shipping container, pending disposition, and BUFFALO ABRASIVES, INC. should be informed of any damage.

X. TRIAL WHEEL POLICY:

Purchase orders are required and full payment is expected on all trial orders. Under certain conditions, no-charge trial orders will be accepted provided approval has been granted prior to order entry. Trials will be invoiced on the basis of the quantity normally ordered. Trials proving only partially satisfactory will be credited on the basis of performance. If the product is reported to be partially or totally unsatisfactory, a trial report form must be completed before a credit will be issued.

XI. RETURN GOODS POLICY:

No material may be returned to BUFFALO ABRASIVES, INC. under any circumstances without assignment of a returned goods authorization (RGA) number. Special made to order products are generally not returnable. Standard products may be returned providing they were manufactured within 24 months of the return date and are in the original undamaged packages. Unless otherwise agreed to, all costs of transportation incurred are the responsibility of the party returning the material. No C.O.D. or unauthorized returns will be accepted. All returned goods accepted for credit are subject to a minimum 15% restocking charge.

XII. ORDER CANCELLATIONS:

Orders may be canceled without penalty provided no manufacturing operations have been initiated. Once the manufacturing process has begun, cancellation at the discretion of BUFFALO ABRASIVES, INC. will be accepted with payment due based on the proportion of selling price measured by the degree of completion.

XIII. COOP ADVERTISING:

BUFFALO ABRASIVES, INC. encourages Industrial Distribution to advertise the BAI brand name in catalogs and other media. Reproductions of literature, catalogs and pictures are available at no charge. An annual advertising allowance is also available. A copy of the planned advertisement and a cost estimate must be submitted to BAI's Sales and Marketing Department for prior approval. Upon approval a credit will be issued in an amount not to exceed 1/2% of annual sales.

