

STATEMENT OF POLICY AND TERMS

This offer is made solely on the terms and conditions stated in this Statement of Policy and Terms and no others.

Buyers acceptance of this Statement of Policy and Terms is limited to the terms and conditions of this Statement of Policy and Terms, Any additional or different terms or conditions proposed by Buyer shall not become a part of this Statement of Policy and Terms. Seller hereby objects to any proposed changes.

In the event of any inconsistency between the terms and conditions of this Statement of Policy and Terms and the provisions of any purchase order or other document submitted by Buyer, the terms and conditions of this Statement of Policy and Terms shall control.

It is generally recognized that even after employing all science known to us and employing experienced platers, there still remain hazards in the metal finishing industry. Since the questions of liability are easier to discuss before problems occur, rather than after, our liability is as follows:

NON-REWORKABLE HARDWARE: Many parts that are plated, such as molds, dies, aerospace hardware, continuous reel-to-reel stampings, intricate machined parts, etc., are valued at much higher prices than the cost of plating. In most instances, Metal Surfaces, Inc. (MSI) is not made aware of this value, so we do not take it into consideration when quoting. MSI feels it is not practical to assume liability for an item whose cost is disproportionately greater than the charge for the service performed. Therefore, our liability is limited to three (3) times the cost of processing with non-precious metals, one (1) times the cost of processing with precious metals, or the unburdened direct cost of the part(s), whichever is lesser. Liability in excess of this policy will be assumed by us only when agreed upon, in writing, prior to processing. In such an event, a higher charge may be made for our services to cover the extra liability.

STRIPPING: Stripping, by its nature, is dangerous because an attack to the base metal may occur. MSI will take every precaution necessary to strip your parts successfully, without damage. However, be aware that the process is performed only on a "no responsibility" basis, and the customer must be responsible for the stripping charges. This applies only to parts stripped at the customer's request. If parts are stripped due to MSI error, our standard liability, as stated above, applies.

DISCREPANT ORDERS: MSI requires notification on all discrepant and potentially discrepant orders within ten (10) working days. Rejected parts must be returned to us for rework. Further processing or assembly of rejected parts, material, etc., by you or any other party shall constitute a waiver of any liability on our part.

COUNT DISCREPANCY; Due to variations in methods of counting, MSI requires up to 2% variance in count. If our incoming count exceeds this number in either direction, you will be notified. If, upon receipt, a count discrepancy is found, MSI requires notification within ten (10) working

days. MSI reserves the right to send a salesperson to your facility to verify count. On continuous reel-to-reel parts, due to setup requirements, the 2% variance is applicable to quantities in excess of 1,000,000 pieces only. Quantities of less than 1,000,000 are to be negotiated.

Upon receipt of orders with detailed instructions as to treatment, MSI's responsibility shall end with the carrying out of those instructions. Type of material, tolerances and specification for processing shall be declared in writing prior to our processing.

Where operations or processes performed by MSI are in the nature of "salvaging" parts or material, the work is accepted on a "best effort basis". MSI accepts no liability unless previously agreed upon, in writing, prior to processing the job.

Results of metal finishing operations could be unsatisfactory due to imperfections, manufacturing and/or fabrication flaws or usage for which the plating operation was not reasonably designed.

Due to these variables over which we have no control, the customer is expected to pay the contracted amount for the service performed.

We are sure you will agree with us that the conditions above set forth are realistic and reasonable.

Acceptance of material for processing subject to such conditions will permit us to continue to provide quality metal finishing at an economical price. Placing of orders with MSI and/or failure to object in writing to terms and conditions hereof within 10 days after receipt of this policy shall be conclusively presumed to include your acceptance of our limitation of liability and other provisions herein set forth.

If you have any concerns or questions regarding this policy, please contact our Manager of Sales and Marketing to discuss them prior to processing.

_____ Signature of principal
