



RDI

Royal Distributors, Inc.

RDI Terms and Conditions of Sale

Effective Date

10/01/2020

- 1. OFFER AND ACCEPTANCE; ENTIRE AGREEMENT-** These Terms and Conditions of Sale (the "Agreement" or the "Terms") are incorporated by reference into all sales made by Royal Distributors, Inc. ("Seller") for any and all products or services (together, the "Goods") being sold by Seller to buyer ("Buyer"). These Terms and Conditions of Sale shall supersede all prior understandings, transactions, and communications, whether written or oral, between the parties with respect to the subject matter hereof and shall form the complete contract between Seller and Buyer. These Terms and Conditions of Sale shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Seller's acceptance of any offer made by Buyer to purchase goods is expressly conditioned upon Buyer's assent to these terms and conditions. Any modification, alteration, amendment, additional or conflicting term contained in Buyer's order form or other written or oral communication is hereby objected to and rejected, and shall not be binding upon Seller unless otherwise specifically agreed to in writing by an authorized management-level representative of Seller. The terms and conditions contained herein may be modified or canceled by Seller at any time prior to acceptance. Additionally, Seller and Buyer acknowledge and agree that the sale of the Goods described herein is not a consumer transaction.
- 2. PURCHASES; PRICING; COLLECTIONS; TERMS-** The standard lead-time for all Herga products is 5-7 weeks to RDI's dock, with the exception of blanket orders or other arrangements made between the customer and RDI. Special order items, such as customization to a product, require a 50% deposit in advance. All purchase orders will be confirmed within 48 hours of receipt. If you do not receive a face or email confirmation within this time frame, it is the customer's responsibility to follow up. RDI will not be responsible for the non-completion of a PO that never received an acknowledgment in writing by an RDI customer service representative. Phoned-in orders must also be followed up with a faxed or emailed hard copy to prevent any delays in shipping.

Prices shown are for quantities per order. Orders may have multiple release dates, but all releases must occur within the calendar year, and all release dates are firm upon receipt of the order. Prices and product specifications are subject to change without notice at any time. Please verify pricing with an RDI customer service agent when placing an order.

After 30 days, an RDI collection agent will make a contract regarding payment status; after 45 days, your account will be reviewed for Cash on Delivery (COD) status. Accounts that run over 60 days are automatically placed on COD for future orders, and pending shipments will be delayed until the account is current. The site of the venue is Ann Arbor, Michigan, for all accounts that need to be litigated for non-payment.



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Terms of sale are COD until RDI's credit department has performed a credit check and approved new accounts for credit, with the exception of credit card purchases, which are not subject to account approval. Terms are Net 30 unless otherwise negotiated, such as early payment terms of 2% 10, Net 30.

3. **DELIVERY-** FOB Origin is Ann Arbor, MI, and all shipments are sent ground unless otherwise indicated by the customer. Freight is charged to the customer and added to the invoice unless the customer provides an account number for the carrier of their choice.
4. **TITLE AND RISK OF LOSS OR DAMAGE-** Despite any agreement with respect to delivery terms or prepayment of transportation or insurance charges, the title and risk of loss or damage shall pass to Buyer, and delivery shall be deemed to be complete, upon delivery to a private or a common carrier or upon moving the Goods into storage, whichever occurs first.
5. **INSPECTION/ACCEPTANCE OF GOODS-** Buyer shall be responsible for inspecting all Goods prior to acceptance; provided, however, that if Buyer has not given Seller written notice of rejection within five (5) business days following receipt by Buyer, the Goods shall be deemed to have been accepted by Buyer.
6. **WARRANTY-** RDI warrants that its products are free from defects in workmanship and materials. RDI will repair or replace its products that fail to give satisfactory service due to defective workmanship or materials for a period of 18 months from the date of manufacture. All warranty claims must be made by written notice to Seller within the specified warranty period. This warranty is contingent upon the following: (i) Buyer establishes that the Goods have been properly installed, maintained, and operated within the limits of their intended and normal usage; (ii) upon Seller's request, Buyer will return to Seller, at Buyer's expense and subject to Seller's direction, any defective Goods or parts thereof; and (iii) Seller promptly receives written notice of any defect and such defect is verified upon return of the Goods to Seller at Buyer's expense or upon inspection by an authorized representative of Seller at Seller's option. If Buyer, after delivery, modifies, alters, substitutes, or changes any of the Goods acquired from Seller, then Seller's warranty with respect thereto shall be null and void and of no force and effect whatsoever. This warranty does not extend to (i) defects due to misuse, abuse, or neglect, (ii) Goods not used in accordance with normal operating and maintenance instructions, (iii) damage caused by corrosion or erosion, (iv) damage to Goods subject to wear and tear, (v) damage caused by Buyer's failure to provide a suitable installation or operating environment for the Goods, (vi) damage caused by use of the Goods for purposes other than those for which they were designed, (vii) damage caused by disasters such as fire and other casualties, (viii) damage during shipment, and (ix) damage caused by parts or components not manufactured by Seller. Goods replaced under the terms of this warranty are covered for the remainder of the original warranty term unless



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otherwise specified in writing by Seller. [See also **Warranty Replacement Procedure, Section 10**, below.]

7. **EXCLUSIVE REMEDY-** If the conditions of Section 6 have been met, then Seller shall fulfill its warranty obligation by, at its option, (1) repair or replacement of the Goods or parts thereof, or (2) refund of the purchase price paid for such defective Goods.
8. **DISCLAIMER-** The foregoing warranty is exclusive and in lieu of all other warranties of quality, performance, and design, written or oral, expressed or implied; all other warranties, including warranties of merchantability, non-infringement, and fitness for a particular purpose or arising from the course of dealing or usage of trade, are hereby expressly disclaimed by seller and all goods manufacturers.
9. **LIMITATION OF LIABILITY AND RISK ASSESSMENT-** Seller shall not be responsible for any loss or damage resulting from faulty or incomplete information provided by Buyer, including, but not limited to, incorrect part numbers or a misdiagnosis. In no event shall Seller, its affiliates, suppliers, and subcontractors, be liable to Buyer or to any third-party for any special, indirect, incidental, or consequential damages including, but not limited to, loss of profits, loss of use, cost of capital, cost of substitution, downtime costs or delays, or any penalties, whether any such claim is based on contract, warranty, tort, negligence, strict liability or otherwise, regardless of whether Seller had notice of such potential claims and to the maximum extent allowed by law. Seller's liability for any such claims or for any loss or damage arising out of or connected with this agreement or the performance or breach thereof, or from any design, sale, installation, operation, or use of the goods, shall in no event exceed the purchase price paid to Seller by Buyer for the specific goods or part thereof.

IT'S THE BUYER'S RESPONSIBILITY TO PERFORM THEIR OWN RISK ASSESSMENT FOR THE USE OF ANY PRODUCT PURCHASED FROM RDI.

10. **WARRANTY REPLACEMENT PROCEDURE-** (a) Buyer must obtain prior approval from Seller, by way of a valid Return Goods Authorization form and number ("RGA"), before making any warranty returns and/or returning any Goods for warranty replacements; such approval must be sought within the documented warranty period for the particular Good(s), such warranty periods beginning on the date of original shipment by Seller or its supplier. A technical support call may be required before an RGA will be issued. (b) Buyer must ship Goods back prepaid and in an appropriate carton or container designed for such shipments. (c) Such returns must be received at the location designated on the RGA Form within ten (10) business days of the date an RGA was first sought from Seller. Any warranty return received by Seller without the RGA Form or outside of the ten (10) business day period will not qualify for a warranty credit. (d) Buyer shall cooperate with reasonable requests at the time an RGA is reported, and during handling by Seller, by providing information including,



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but not limited to, full description of defect, serial number, identifying markings, and, if appropriate, photographs, etc. (e) A credit for a warranty return will only be issued when a warranty replacement is ordered from Seller (if available). If Buyer does not order a warranty replacement from Seller, then any credit allowed will be at the sole discretion of Seller. (f) If a defect is confirmed by Seller or its supplier during evaluation, a credit will be issued fifteen (15) business days of the confirmation, such time being necessary to allow for evaluation and processing (NOTE: certain returns, evaluation, and credits may take longer due to a longer period of time needed for evaluation and testing).

11. RETURNS AND RESTOCKING- (a) Requests to return Goods for a restocking fee (i.e., non-warranty returns) must be made by Buyer within five (5) business days of the original date of receipt by Buyer; Buyer must obtain prior approval from Seller for such returns by way of a Return Goods Authorization form and number ("RGA"). Goods returned by Buyer due to no fault of Seller are subject to a minimum twenty-five percent (25%) restocking fee, unless otherwise documented by Seller. (b) Goods approved for a return with a restocking fee must be received at the address noted on the RGA Form within ten (10) business days of original receipt of the Good(s) by Buyer and must include the RGA Form specific to the particular order/part. Any returned Goods received by Seller without the RGA Form or outside of the timeframes described herein will not qualify for a credit (the full invoice price will be due from Buyer), and if the Good was sold on an exchange basis, then such unauthorized return may be treated as the Exchange Part and applied as the Exchange. Returned Goods must be sent in an appropriate carton or container designed for such shipments in order to be eligible for any credit. (c) If all return requirements have been met and the return is accepted, credit will be issued fifteen (15) business days thereafter, such time being necessary to allow for evaluation and processing (NOTE: certain returns and credits may take longer to issue due to a longer period of time needed for evaluation and testing). (d) Goods that are non-returnable for reasons including, but not limited to, supplier return restrictions, will be communicated as such prior to the transaction.

ADDITIONALLY, CUSTOM-MADE ORDERS/GOODS ARE NON-RETURNABLE. ANY GOODS SOLD AS NON-RETURNABLE MAY NOT BE RETURNED AND WILL RECEIVE NO CREDIT IF RETURNED TO SELLER.

12. MISCELLANIOUS- Buyer must provide a part number or equivalent unique identifying number on all transactions; not providing such number may result in a return being denied. If any claimed reason for a return does not qualify it for credit or cannot be verified by Seller or its supplier, then the full invoice price will be due from Buyer. Seller is not responsible for returning items which Buyer returns to Seller without authorization.

IF THE PART # LABEL HAS BEEN REMOVED FROM THE PRODUCT, THIS INVALIDATES THE WARRANTY.



13. FORCE MAJEURE- Seller shall not be liable for any delay in performance or nonperformance which is due to (i) war, fire, flood, acts of God, acts of third parties, acts of terrorism, acts of governmental authority or any agency or commission thereof, accident, breakdown of equipment, or similar or dissimilar causes beyond its reasonable control including, but not limited to, those interfering with production, supply or transportation of the Goods or components, (ii) Seller's ability to obtain, on terms it deems reasonable, labor, parts, equipment or transportation, or (iii) acts or omissions of third-parties including, but not limited to, causes of action resulting from personal injury or property damage.

14. INDEMNIFICATION OF INFRINGEMENT- If Goods supplied by Seller are used by Buyer to infringe, or such use is alleged to infringe, any patent, copyright, or other intellectual property right of another, or if Goods supplied by Seller pursuant to Buyer's designs or specifications infringe or are alleged to infringe any patent, copyright or other intellectual property right of another, Buyer shall indemnify, defend and hold Seller harmless from and against all damages, liabilities and costs incurred or suffered as a result of such alleged or actual infringement.

15. GENERAL

- a. **Complete Agreement** – This Agreement supersedes all prior agreements and understandings, oral or written, relating to the Goods and the subject matter hereof, and constitutes the entire agreement between the parties related to such Goods and subject matter.
- b. **Amendments; Modifications** – No amendments or modifications of this Agreement (other than updated Terms & Conditions of Sale posted by Seller with a new Effective Date) shall be binding or effective unless in writing and signed by both parties, including an authorized management level representative of Seller.
- c. **Severability** – If a provision of this Agreement is held to be invalid or unenforceable, the Agreement shall continue in full force and effect and shall be construed as if the invalid or unenforceable provision (or a portion thereof) was omitted.
- d. **Waiver** – No waiver of any breach of the Agreement shall be construed as a waiver of any prior, concurrent, or subsequent breach thereof.
- e. **Assignment** – Neither this Agreement nor any rights or benefits hereunder are assignable by Buyer without the prior written consent of Seller; Any such prohibited assignment shall be null and void.
- f. **Compliance; Attorneys' Fees** – Seller's catalog(s) and/or other electronic or online platform(s) are offered as an as-is service for convenience, and Buyer represents that Buyer has and will comply with all applicable laws and regulations in the purchase, resale and/or use of the Goods, and that Buyer has all requisite authority and right to purchase, resell and/or use the Goods. RDI is not responsible for purchases outside of Buyer's authority, right to purchase, and/or Buyer's compliance with any applicable laws. In the event that Seller is the prevailing party in any action with respect to this representation, or in collections actions or proceedings between Seller and Buyer, Buyer



shall be liable to Seller for all costs, including reasonable attorneys' fees, incurred by Seller with respect to such action, proceeding or arbitration.

- g. Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflicts of law provisions. Unless agreed upon otherwise in writing and signed by both parties, this Agreement and the rights and obligations of the parties hereto shall not be governed by the provisions of the United Nations Convention for the International Sale of Goods (CISG). All causes of action under this Agreement shall expire unless brought in a court of law located in Washtenaw County, Michigan, United States, to which Buyer does hereby consent to personal jurisdiction, within one (1) year of the date of the event giving rise to such claim. Seller shall not be required to perform its obligations if Buyer has defaulted on its obligations or any other contract involving Seller (e.g., failed to pay). Seller shall have all other rights and remedies conferred by law. Buyer agrees that any litigation initiated either by Seller or Buyer shall be venued in a court located in Washtenaw County, Michigan, United States, and waives any argument that personal jurisdiction and/or venue in such forums is not proper or convenient.

Policy Review and Updates

Date	Notes/Revisions	Edited by (Name, Title)	Approved by (Name, Title)	Authorized Signature
10/01/20	Document creation	Savanna Ferstle, HR Specialist	Terry Ferstle, CEO	
09/17/24	Updated formatting and changed "Temecula, CA" to "Ann Arbor, MI"	Savanna Ferstle, HR Specialist	Terry Ferstle, CEO	