Distributor Policy: Terms & Conditions

General

TERMS
- Orders may be placed by phone, email, fax, and e-mailed
- An order is defined as one delivery to a single location. Requirements for multiple drop ships will be separated into individual orders.
- All prices are reflected in US dollars
- List prices shown on the Melin website are to be considered current

Order Requirements

TERMS
- No minimum order value requirements
- A small handling fee of $3.00 will be added to freight charges for orders with a total net value under $100.00

Specials & Custom Designed Tools

TERMS
- Net prices are provided on an individual basis and are determined based on the tool style, size & quantity
  (Submit quotes to specials@melintool.com)

Freight

TERMS
- Scheduled shipments will be made using ground freight services and the costs added to Melin invoice
- As an alternative, customers can provide Melin with their own freight account information for appropriate charges
- Free ground freight will be provided for orders exceeding $750.00 NET value
- Back orders will be shipped on freight free basis, using ground freight services (unless specified on order)
- On orders requesting multiple shipping dates, each shipment will be considered a separate order in applying freight terms and allowances
- Consignees outside the U.S. are responsible for all brokerage fees, duty, custom clearances, and corresponding fees

Payments

TERMS
- Open accounts will be established pending credit approval
- Payment terms are 1% 10, net 30 days, unless otherwise specified on an invoice
- Freight charges do not qualify for cash discounts
- Periodic payment and credit reviews are used to update credit limits and may impact resale discounts
Distributor Resale Discounts

**TERMS**
- Discounts are assigned for each major product group in the Melin Portfolio. It’s expected that a distributor actively promote all product groups and generates reasonable & warranted sales activity in each group in order to maintain their discount.

<table>
<thead>
<tr>
<th>Product Portfolio</th>
<th>Discount code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carb. General Purpose End Mills</td>
<td>P1A</td>
</tr>
<tr>
<td>Carb. High Performance End Mills</td>
<td>P1B</td>
</tr>
<tr>
<td>Carb. Special Use End Mills</td>
<td>P1C</td>
</tr>
<tr>
<td>Carb. Special Use End Mills - Micro</td>
<td>P1C2</td>
</tr>
<tr>
<td>Carb. General Purpose Drills</td>
<td>P1D</td>
</tr>
<tr>
<td>Carb. High Performance Drills</td>
<td>P1E</td>
</tr>
<tr>
<td>Carb. Thread Mills</td>
<td>P1F</td>
</tr>
</tbody>
</table>

Price Change

**TERMS**
- All prices are subject to change.
- Back orders will be invoiced at the price in effect at time of order.

Test Tool Policy

**TERMS**
- Distributor places regular order with a note identifying the name of the end user to test the tool(s).
- Within 60 days, should the customer not be satisfied, a full credit including freight, will be issued upon our receipt of a RMA # and their completed test form or written notification referencing the purchase order and invoice #.

(test tool reports will be shipped out with tools or can be found online at www.melintool.com)
- For guaranteed performance tests, special tool trials, or no charge tests - Distributor should contact their local Melin Sales Rep.

Return Policy

**TERMS**
- Only current, standard products will be accepted for return and credit. Prior RMA (returned material authorization) is mandatory and provided by customer service.
- Tools that are over 2 years old will not be accepted for credit.
- All returned tools are subject to inspection, acceptances and 10% restocking charges.
- Distributor is responsible for transportation costs of returned tools.
- Credit will be issued based on the distributor's cost at the time the tools were purchased.
- Annual inventory adjustments are encouraged (1 per year), distributor can exchange slow moving inventory for products having a higher demand. To avoid restocking charge, submit an off setting order of 20% greater net value than the value of returned tools at time of return.

Acceptance of General Terms

**TERMS**
- All purchase orders submitted by our distributors are accepted by Melin Tool in accordance with the terms stated herein. These terms supersede all conflicting terms.

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