

**PRACTICES OF MANUFACTURING AND SALE
OF
WHITTET-HIGGINS COMPANY**

QUOTATION: Stenographic and clerical errors may be corrected. Quotations are for immediate acceptance unless a time period for life is specified in the quotation. For quotations without a specified time period, until Whittet-Higgins Company accepts an order, prices quoted may be changed without notice. All orders and contracts are acceptable at Whittet-Higgins Company offices.

CREDIT: Credit and open account sales will be extended only to firms or individuals after investigation. The Whittet-Higgins Company reserves the privilege of declining to manufacture product and make deliveries and to require prepayment or Cash on Delivery, whenever, for any reason, doubt as to the Buyer's responsibility develops including an amount due that has not been received by Whittet-Higgins Company in accordance with payment terms. Terms currently are 1% discount on product if paid by 25th of month for invoices dated 1st through 15th of month and if paid by 10th of following month for invoices dated 16th through end of month otherwise within 30 days of date of invoice.

QUANTITIES: All quotations are conditioned on Buyer accepting over-run or under-run on each individual item not exceeding 10% of quantities ordered, except for inventoried components of the product line. Where closer control of quantity is required, specifications must be established by the Buyer in writing prior to quotation by Whittet-Higgins Company.

SAMPLES: If requested with 'request for quotation', Whittet-Higgins Company will submit samples for approval when manufacture of components, not being standard shelf product, are specially quoted and ordered. The Buyer must approve, in writing, the sample or delineate parameter (s) to be corrected no more than 48 hours after samples leave Whittet-Higgins Company. If the Buyer fails to timely respond Whittet-Higgins Company may terminate production, bill for expense incurred and reschedule at same or new quoted price. Whittet-Higgins Company assumes responsibility to have the product manufactured correctly during the period necessary to obtain Buyer's approval except if changes are made to the original specifications. Changes in original specifications will be made at the Buyer's written direction and expense. Whittet-Higgins Company, always, must be informed by telephone or facsimile followed by written confirmation.

DELIVERIES: Every effort will be made to fill orders within the time promised. Whittet-Higgins Company does not assume responsibility for any damages growing out of or owing to any delays beyond its' control. Unless otherwise agreed between the Buyer and Seller, orders are accepted for the earliest possible delivery in bulk packaging deemed to be safe to prevent usual damage to the product. At the time of placing a purchase order, the Buyer should state explicitly the method of transit. The Seller will communicate with the Buyer should the chosen method be impractical. All shipments are made Freight on Board from the Whittet-Higgins Company plants in Central Falls, Rhode Island, unless special arrangements have been made.

TAXES: Taxes imposed by any present or future law of federal, state, county, or municipal authority on the manufacture, sale, or use of the products purchased hereunder and required to be paid by Whittet-Higgins Company shall be added to the amount to be paid by the Buyer. The Buyer shall furnish evidence of exemption if applicable. If the Buyer fails to advise the Whittet-Higgins Company of the taxes that would apply to Whittet-Higgins Company and taxes are later assessed against Whittet-Higgins Company because of the failure, the Buyer shall indemnify Whittet-Higgins Company in the amount of the taxes to be paid by Whittet-Higgins Company and the expense to collect it.

CLAIMS: If the Buyer claims delivery of material not as ordered, it must notify Whittet-Higgins Company within ten (10) days of receipt of shipment. If such claim is sustained and material furnished is not as ordered, Whittet-Higgins Company shall repair, replace, credit, or complete the order within limitations of the condition titled QUANTITIES. Charges for repairs or inspection of parts by the Buyer without prior authorization of Whittet-Higgins Company are not a part of the contract and, will not be honored. Under no circumstances will Whittet-Higgins Company be liable for damages or any other claims for expense involved in using this product. Whittet-Higgins Company will not allow claims for defective components further processed by the Buyer and resulting in change of either dimensions or characteristics from components as ordered. Claims for shortage must be made within ten (10) days from receipt of the product, and in every case the weights found in the shipment, including tare, must be given to Whittet-Higgins Company together with the method used to arrive at a count of the pieces.

CANCELLATION: Orders may be canceled or deliveries deferred only upon the condition that the Buyer assume immediate liability and makes payment to Whittet-Higgins Company for all work complete at the unit sales price; work in process at a percentage of completion thereof times the unit sales price; raw material, unamortized tooling, engineering and other cancellation expenses incurred on the basis of cost to Whittet-Higgins Company plus handling and overhead charges. All cancellations and deferment charges will be determined at the time of cancellation or deferment.

REPRODUCTION RIGHTS: No permission or rights to reproduce any product of Whittet-Higgins Company design, engineering and manufacture are granted to the Buyer under any circumstances. Any proposal, quotation, document, drawing or any other information furnished by the Whittet-Higgins Company is for the confidential use of the Buyer or prospective Buyer. The Buyer will never use it to the detriment of the competitive position of Whittet-Higgins Company. Whittet-Higgins Company furnishes all drawings, specifications and technical information for informational purposes only and any requirements therein shall not be binding on Whittet-Higgins Company until it accepts a purchase order and ships product.

GOVERNING LAW: The sale and purchase of product manufactured by the Seller, including all Terms and the Uniform Commercial Code of the State of Rhode and Providence Plantations will govern Conditions. Should any term or condition herein contravene or be invalid under Rhode Island law, the contract of which these conditions form a part shall not fail by reason thereof, but shall be construed in the same manner as if such term or condition had not appeared. If any condition, practice, or term herein is altered or contradicted by purchasing documents of the Buyer, the conditions, practices and terms of this document, Practices of Manufacture and Sale, shall prevail unless the Buyer by written letter specifically brings to the attention of the Seller the differences and the Seller responds in writing before beginning the manufacture or removal from inventory of the components.

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TOLERANCES: When print dimension do not have specified tolerances the following tolerances will be applied:

Decimal dimensions:	Diameters plus or minus .010"	Angles:	Plus or minus 2-1/2 degrees
	Lengths plus or minus .010"	Corners:	.020" maximum radius/chamfer
Fractional dimensions:	Diameters plus or minus 1/64"	Fillets:	1/32" maximum
	Lengths plus or minus 1/64"		

Unless specified, drilled holes diameters will be limited by resulting condition of drill. Unless specified, cross-drilling, slotting and similar operations shown on prints will be without relation to other dimensions. Concentricity limitations must be specified separately from dimensional requirements. They will be inspected only at the point where the relation is shown on the print. When a concentricity limitation is specified, it is understood to be the actual eccentricity allowable between the centerlines of the dimensions that are one-half of a dial reading registration shown on the print. When Buyer purchases pursuant to their specifications, Whittet-Higgins Company is not responsible for the design and fitting of parts in assemblies; conformance of the Sellers component to the specified tolerances is sufficient evidence as to correctness of manufacture. Unless Buyer specifies on written purchase order tolerances are after plating, tolerances are for product not plated. If after plating an additional charge must be agreed to and accepted.

THREADS: Unless otherwise specified, threads will be of the American National, Unified, or International Standards Organization form and, at least, will be made to tolerance grades Class 2 for inch forms and 6H6g for metric forms. When a Buyer specifies a thread, the Buyer may furnish thread gages or appropriate thread measuring instruments, or Whittet-Higgins Company will quote and charge for the items it shall need.

EXTERNAL THREADS: Where threading to the shoulder is specified, if a relief or undercut of sufficient width is not provided for, it will be understood that the last full thread will not be cut closer to shoulder than a distance of two and one-half threads and in the case of fine pitches, never closer than 1/16".

INTERNAL THREADS: Unless dimensional limits for minor diameter of tapped holes are specified, the percent of full depth thread will be in accordance with regularly accepted general practice. Unless otherwise specified, blind tapped holes may not have a full thread closer than five threads from the bottom and for fine pitch threads, not closer the 5/32".

GAGES: Where dimensions cannot be readily gauged with usual measuring instruments thereby, requiring special gages or instruments, such gages may be furnished by the Buyer or supplied by Whittet-Higgins Company for an extra charge. For threads, the inspection gages will conform to the limits specified by the latest National Bureau of Standards Handbook H28, as supplemented, entitled "Screw Thread Standards for Federal Services for Inspection Gages".

INSPECTION: Inspection by Whittet-Higgins Company may be conducted in three manners:

100% INSPECTION: If required by the Buyer at their expense, and only such parts proved not as ordered with detail report identifying defects of each returned piece may be returned with a claim for repair, credit or replacement as covered by CLAIMS and QUANTITIES herein.

AQL LIMITS: Acceptable quality levels incorporating a designated sampling plan which must be established by the Buyer in writing prior to quotation by the Whittet-Higgins Company.

SPC SYSTEM: Statistical Process Control practices incorporating an objective of a capability index (Cpk) of 1.33 as delineated in the Quality Assurance Manual of Whittet-Higgins Company. Any tightening of conditions beyond those specified in this manual must be established by the Buyer in writing prior to quotation by Whittet-Higgins Company.

Unless a specific Quality Assurance system and inspection parameters are established prior to quotation, it is understood that the Whittet-Higgins Company reserves the right to adjust the quotation or delivered part price in consideration of a subsequent establishment of an acceptable quality level and/or system specified by the Buyer.

DIES, TOOLS, ETC.: Tools, dies, jigs, fixtures, gages, and other equipment and instruments of manufacturing, and their engineering and design, are integral to the manufacturing processes of Whittet-Higgins Company, therefore separate quotation to or payment by the Buyer for these items, supplied by Whittet-Higgins Company, conveys neither ownership nor the right of removal from the factory of Whittet-Higgins Company.

PATENTS: It is not the intent of Whittet-Higgins Company to do contract manufacture of any product that is an infringement of a patented article. Whittet-Higgins Company manufactures such product strictly to dimensional characteristics specified by the Buyer. The Buyer will defend and save harmless Whittet-Higgins Company from all expenses and damages resulting from claims of infringements of letters of patent by the use or sale of components made by Whittet-Higgins Company, either as such or as parts or units of complete assemblies.

WARRANTY: Whittet-Higgins Company warrants only that the components furnished by it will conform to the documented drawings and/or specifications of Whittet-Higgins Company, or the documented drawings and/or specifications of a Buyer when such are provided in advance of placement of an order and then accepted in full by Whittet-Higgins Company in writing. This warranty specifically excludes any products of Whittet-Higgins Company that have been subject to improper application, installation, and maintenance, other misuse, or involved in accident. Nor does this warranty extend to products that have been altered or repaired by any party other than Whittet-Higgins Company. The Buyer agrees to indemnify and hold harmless Whittet-Higgins Company from all claims from the incorrect use or incorporation of said components into the Buyer's or their customer's assembly.

DISCLAIMER: This document does not purport to be all Practices, Terms and Conditions of Whittet-Higgins Company.

UPDATED: January 1, 2005