

IV

Payment Terms and Conditions

Standard Payment Terms are Net 30 days

- A “late fee” of 1.5% per month will be charged for all balances past due beginning in the 1st month following past due balance.

V

Shipping & Handling Policies

All product shipments are F.O.B. origin.

- Shipping within the Continental US will be made freight prepaid via a common carrier of UMC ReTech’s choice providing the order has an exchange value of two thousand dollars (\$2000.00 net without core) or more based on the Invoice Price in effect at the time of shipment.
- Orders having an exchange value of less than two thousand dollars (\$2000.00) based on the Invoice price in effect at the time of shipment, will be shipped freight collect via a common carrier of the Customer’s designation or at UMC ReTech’s discretion, if no carrier is designated.
- Should the Customer desire, UMC ReTech will ship orders that do not meet the freight requirements, and show such freight charges as a separate line item on the invoice covering the shipment.
- **Back Orders** – UMC ReTech will treat back orders on a ship/cancel basis.. Back orders will be shipped in the same manner as the original order.
- **Lead Time** – It is our goal to process and ship all regular stock orders within three (3) working days or less. Initial stock orders, large volume orders, and orders involving limited core availability are subject to longer lead times.
- **Freight to Hawaii, Alaska, Canada, Mexico, and Other Export Markets** – Orders to these areas will be shipped at the buyer’s expense, unless other arrangements are agreed to and approved in writing prior to shipping and confirmed within the shipping documentation from UMC ReTech. UMC ReTech will designate the carrier.

VI

Shortages / Damage Claims

All claims for shortages or errors must follow these guidelines;

- All claims for shortages and/or errors must be made upon receipt of goods and notification to UMC ReTech shall occur within ten (10) working days of receipt of the shipment.
- Claims for *in-transit* damages must be made upon receipt of goods with the delivering carrier and noted on the shipper/delivery documentation. Failure to document will result in damages being denied.
- Recovery for in-transit damage is limited to the liability accepted and provided by the carrier.

VII

Open Account Authorization

Open and new account status is determined as follows;

- Each prospective customer must complete and return a credit application to qualify for open account status. Credit application are available from UMC ReTech sales representatives. We will also accept prospects pre-printed credit applications as long as the top portion of our credit application is filled out and signed by the prospective customer.
- Prior credit approval and authorization for open account status must be received before new accounts are accepted.
- A completed credit application, including five (5) current commercial credit references with names and addresses must be submitted by mail, fax, or email to the UMC ReTech Accounting Department.
- A thorough analysis of all prospective new accounts is conducted to determine what level of inventory is required to support the product line.
- Open account status may be revoked if payment performance or order activity does not meet UMC ReTech standards and levels. Accounts will be considered closed if there has not been activity for two consecutive years. To be reinstated the customer must submit a new credit application.
- **Late Fee** – A late fee of 1.5% per month for all balances past due will be applied.

VIII

Return Goods Policy

The return of merchandise for any reason is expensive to all concerned. To expedite processing of your return request, please follow the guidelines below.

- **A Return Goods Authorization (RGA) must be secured before any product(s) can be returned to UMC ReTech. Call 1-800-343-3557 to request an RGA.**
- **Before an RGA is issued a list of the merchandise to be returned must be submitted**
- **The RGA (number) and list of all merchandise to be returned must appear on all paperwork accompanying the return from the customer to the Company.**
- **An RGA is required for the following;**
 - Stock Adjustment (see Stock Adjustment Policy section for further details)
 - Special Orders
 - Factory Shipping Errors
 - Factory Duplicate Shipments
 - Factory Order Processing Errors
 - Recalled Merchandise
 - Warranty, Repair or Replacement
 - Core Returns (See Core Policy section for further details)
 - Product Ordered in Error

Note: A copy of the packing list with the RGA number must accompany all above returns.

- **Title to returned products/cores does not transfer to the Company until the credit is issued.**
- **A 10% restocking fee will be charged on all uninstalled product returns to address clean up, replacing missing parts, and re-testing to bring the part back to sellable condition.**
- **A 15% restocking fee will be charged on all products returned which were dropped shipped to locations other than a UMC ReTech Warehouse Distributor.**
- **Core and Warranty Returns may be placed on the same pallet but should be separated for type identification. Warranty returns and returned core should not be combined without distinction. If warranty and core are combined, you may experience a delay and/or loss of warranty credit.**
- **No returns will be allowed during the months of July and December.**

IX

Stock Adjustment Policy

Customers (Warehouse Distributors) of UMC ReTech will be allowed to make **one (1) annual stock adjustment per year of the company's products by Product Line**. The following guidelines must be strictly adhered to for all stock adjustments.

- Stock adjustments will not exceed 4% of the Customers previous 12 months net purchases. Net purchases for purpose of adjustments are Product Line specific and are calculated as 4% of a Product Line 12 month net purchases. Examples of Product Lines are RTC (Transfer Cases), RCL (Calipers), RPL (Fuel Pumps), RFD (Axles). These Product Lines are treated independently for purpose of stock adjustment.
- Products and/or entire Product Lines deemed "Discontinued" >12 months prior and/or Products not listed in the **current or the previous price list** will not be eligible for return.
- The Customer must submit a detailed listing in writing of the proposed stock adjustment return by part number to UMC ReTech, for issuance of an RGA prior to making a return.
- The RGA (number) and list of all merchandise to be returned must appear on all paperwork accompanying the return from the customer to UMC ReTech.
- No stock adjustments will be accepted in the months of July and December.
- Once approved, the Customer must make the return within twenty (20) working days (Keeping in mind, no adjustments are allowed in the months of July and December).
- All stock adjustment returns must be shipped freight prepaid.
- All stock adjustments must be received in saleable condition by the Company.
- All products not returned in the UMC ReTech® box complete with all parts (i.e. brackets, bolts, pads, strainers, hose, etc.) will be scrapped or returned to the customer at its expense.
- All credit issued will be based on pricing in current or the previous price list.
- Stock adjustment returns must be shipped separately from core and warranty returns.
- Any unauthorized stock adjustment will be refused and returned to the Customer freight collect.

X

Core Policy

Cores are the life blood of our remanufacturing business. Whether it is a brake caliper, front differential, transfer case, or transfer case shift motor the return of our core is vital to our business. The following core policy and procedure information must be followed when returning core to UMC ReTech.

- All cores must be returned in the original UMC ReTech® cartons.

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- Transfer Case cores are to be returned in the original Transfer Case “dunnage” per government regulations.
- The Company will permit *one core return per month* to be shipped freight collect from stocking customers, providing the return is made via a carrier designated by the Company and the return exceeds minimum shipment quantity. Additional core returns may be accepted, but are subject to written approval prior to shipment of returns and may not qualify for freight collect arrangements.
- The RGA (number) and list of all merchandise to be returned must appear on all paperwork accompanying the return from the customer to UMC ReTech.
- Drop-ship Customers will be responsible for all core return costs.
- All returns must have a packing list that itemizes the cores and warranties being returned if on the same pallet. Cores and warranty items must be separated and clearly identified.
- UMC ReTech will make every effort to issue core credits within ten (10) days after the receipt of cores at our facility in Algona, IA.
- The Customer may not make a deduction for core credit from a statement prior to umC ReTech issuance of a credit memo.
- Title to returned cores does not transfer to UMC ReTech until the credit is issued.
- All core returns are subject to UMC ReTech final approval, count, and identification. Credit will not be issued until such approvals and identifications have been made.
- Core credits will be based on the core of that part number which has been in the core bank longest, at the banked dollar amount. In the event of core price increases we will not request an additional deposit for cores in the customers stock. In the event core deposits decrease, we will not issue credit for cores in customers stock.

- **Brake Calipers** – All *remanufactured brake calipers* carry a \$5.00 to \$100.00 core charge. Check current UMC ReTech price list for actual core values. UMC ReTech is now supplying more calipers with brackets. Calipers shipped with brackets have a red “**B**” stamped on the carton or an orange sticker stating a bracket is included. **The bracket and caliper must be together in the carton to receive credit.**
 - Scored, worn, or broken casting – no credit
 - Core is missing required bracket – no credit
 - Core is disassembled (Pistons etc) 33% credit
 - Cores returned with no deposit held in core bank will not be credited. It will be stated on the credit memo (No Deposit Held) Customer can request these cores be returned at the customer expense. We implemented a change to this section.

- **Transfer Case Engagement Motors** – All *remanufactured transfer case engagement motors* carry a \$35.00 core charge
 - TC Motors with broken wiring connectors – \$10.00 credit
 - Plastic Motor Cover is broken (GM Models) – \$10.00 credit
 - The wiring harness is cut-off – \$10.00 credit
 - The Core is not assembled – \$10.00 credit

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- Cores returned with no deposit held in core bank will not be credited. It will be stated on the credit memo (No Deposit Held) Customer can request these cores be returned at the customer expense
- **Transfer Cases** – *Transfer cases* carry a variety of core charge. (\$350.00 to \$700.00)
 - Hole in case or cracked case – 50% credit
 - Core disassembled – 50% credit
 - Motor core missing from case purchased w/motor – core value less \$35.00
 - Missing yokes (Front or Rear) – core value less \$40.00
 - Missing Extension Housing – core value less \$40.00
 - Oil not drained – core value less \$25.00
 - Core returned without shipping dunnage – core value less \$100.00
 - Dunnage returned without core – no credit
 - Cores returned with no deposit held in core bank will not be credited. It will be stated on the credit memo (No Deposit Held) Customer can request these cores be returned at the customer expense

XI

Warranty Policy

The Company's products are warranted to be free of defects on material and/or workmanship. See complete UMC ReTech® Product Warranties on the following pages, in product catalogs, or on the UMC ReTech website (www.UMCReTech.com).

- All UMC ReTech® product warranties are for a period of one (1) year from the date of installation or 12,000 miles (whichever comes first) providing the original purchaser retains a copy of the invoice covering the affected part.
- An optional extended warranty is available for an additional cost on all UMC ReTech® Transfer Cases.
- An RGA (Return Goods Authorization) must be requested prior to sending in any product to UMC ReTech for a warranty claim.
- The Part(s) must be returned to UMC ReTech with a copy of the purchase invoice and RGA number noted.
- Part(s) returned need to include the full name and address of the installer, jobber store where purchased, and a detailed explanation of the problem must accompany the returned part(s).
- UMC ReTech will examine each such return and issue credits based on their findings.
- UMC ReTech will make every effort to issue warranty credits within 15 days of receipt of the alleged defective part(s) at our facility in Algona, IA.
- Should UMC ReTech determine such warranty was not due to their processes, material and/or workmanship, credit will be denied.
- For more detailed product warranty information see attachments of UMC ReTech product warranties.

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- **Attachment “A”** – UMC-OER+ Twice Tested Electric Fuel Pumps
- **Attachment “B”** – UMC ReTech® Remanufactured Electric Fuel Pumps
- **Attachment “C”** – UMC ReTech® Remanufactured Transfer Cases & Shift Motors
- **Attachment “D”** – UMC ReTech® Remanufactured Brake Calipers

ATTACHMENT “A” UMC-OER+ Twice Tested New Electric Fuel Pumps 1 Year – 12,000 Mile Warranty (Limited)

All Twice Tested Electric Fuel Pumps are guaranteed against defects in material and/or workmanship for a period of 1 (one) Year or 12,000 miles, whichever occurs first.

Justification – A statement by the installer must be included with the Twice Tested Electric Fuel Pump regarding the nature of the defect. Failure to provide this information will delay claims processing.

Coverage – Any part of the fuel pump unit which fails during the warranty period may be exchanged for a replacement part(s) at the discretion of UMC ReTech.

Limitations;

- A.)** Warranty Provides for failed part(s) only, **with no labor allowance.**
- B.)** Warranty covers premature failure replacement due to defects in material and/or workmanship only. Installer error, alteration, or abuse will be cause for exclusion.
- C.)** Warranty is non-transferable; applies only to original purchaser.
- D.)** Replacement units do not extend the original warranty. A replacement unit is warranted only for the unexpired time on the original warranty.
- E.)** A dated invoice for the original sale of pump **MUST** be included with unit to validate claim.

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- F.)** Consequential expenses including, but not limited to commercial loss, lodging, meals, phone calls, storage, vehicle rentals, towing, etc., are not reimbursable.
- G.)** Coverage will be denied if time and mileage cannot be verified or other requested documentation is not submitted.
- H.)** Coverage will be denied if failure is determined to be installer error.

ATTACHMENT “C”

UMC ReTech

Transfer Case, Transfer Case Shift Motor, Axle and Differential Warranty (Limited)

UMC ReTech warrants all remanufactured transfer case, shift motor assemblies, and differentials against defects in material and/or factory workmanship for a period of 12 months or 12,000 miles from the date of installation.

Justification – A statement by the installer must be included with the Transfer Case or the Transfer Case Shift Motor regarding the nature of the defect. Failure to provide this information will delay claims processing.

Coverage – Any part of the unit which fails during the warranty period may be exchanged for new or remanufactured part(s) at the discretion of UMC ReTech.

Limitations;

- A.)** UMC ReTech reserves the right to refund the full purchase price in lieu of all claims otherwise due a claimant under the terms of this warranty.
- B.)** Warranty Provides for failed part(s) only, **with no labor allowance.**
- C.)** Warranty applies to original owner only – non-transferable.
- D.)** Repairs or replacements do not extend the original warranty. A replacement is warranted only for the un-expired time remaining on the original warranty.
- E.)** Consequential expenses, including but not limited to commercial loss, lodging, meals, phone calls, storage, vehicle rental, towing, etc are not reimbursable.

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- F.) Coverage will be denied on transfer cases if prior authorization from UMC ReTech for repair or replacement is not received.
- G.) Coverage will be denied if the transfer case has run out of fluid, was under-filled, overfilled, or the wrong fluid was used.
- H.) Coverage will be denied if it is determined that mismatched tire size or uneven air pressure have caused damage to the transfer case or caused clutch packs or viscous couplings to fail.
- I.) Coverage will be denied if the part is altered, modified, used in an incorrect application or vehicle is altered in anyway such as use of a lift-kit.
- J.) Coverage will be denied if length of service, mileage or serial number cannot be verified, or if other requested documentation is not submitted.
- K.) Coverage will be denied if the failed part or claimed supplemental parts are not returned to UMC ReTech.
- L.) Coverage will be denied if damage is the result of abuse, accident, or competition.

ATTACHMENT "D" UMC ReTech Disc Brake Caliper Warranty (Limited)

UMC ReTech warrants all remanufactured disc brake caliper assemblies against defects in material and factory workmanship for a period of 12 months or 12,000 miles from the date of installation.

Justification – A statement by the installer must be included with the Brake Caliper detailing the nature of the defect. Failure to provide this information will delay claims processing.

Coverage – Any part(s) of the brake caliper that fails during the warranty period may be exchanged for new or remanufactured part(s) at the discretion of UMC ReTech.

Limitations;

- A.) Warranty Provides for failed part(s) only, **with no labor allowance.**
- B.) Warranty applies to original owner only – non-transferable.
- C.) Repairs or replacements do not extend the original warranty. A replacement is warranted only for the un-expired time remaining on the original warranty.
- D.) Consequential expenses, including but not limited to commercial loss, lodging, meals, phone calls, storage, vehicle rental, towing, etc are not reimbursable.

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- E.)** Coverage will be denied if time and mileage cannot be verified or other requested documentation is not submitted.
- F.)** Coverage will be denied if failure is determined to be installer error.