

# RATHBONE ENERGY TERMS AND CONDITIONS GENERAL

1. Orders placed shall not be binding until received and approved at the seller's home office. All orders, when approved, shall be deemed subject to all of the following terms and conditions unless modified, in writing, and signed by seller and buyer.
2. The minimum charge on all orders is \$ 1000.00 per line item.

## ⇒ **PRICING**

3. Prices quoted are valid for fifteen days only.
  - 3.1. Due to continuing development, International Exchange Rates, and constantly changing variables, all prices & specifications are subject to change without notice.
  - 3.2. If a secondary source becomes necessary to deliver the battery cells the price may increase from 10% to 30% over buying battery cells direct.

## ⇒ **LEAD TIMES**

4. Lead Times and requested delivery dates are approximate. Lead time can be immediate production to 16 weeks for arrival of required battery cells to start production.
  - 4.1. A scheduled date will be determined at the time of order acknowledgement. Delivery dates are Not a guarantee but a commitment.
  - 4.2. Excluding weekends, major holidays, holiday weekends, holiday weeks, unforeseen vendor issues, unexpected health issues, illness, or events outside our control including Acts of God.
  - 4.3. 99% of all delays are the result of the battery cell manufacturer's revised schedule, not ours. In-house delays include possible health issues, doctor's appointments, or hospital admittance, otherwise known as uncontrollable absenteeism.
  - 4.4. EVEN WITH PLACED BLANKET ORDERS, WE NOR OUR EMPLOYEES HAVE ANY CONTROL OVER THE STOCK DECISIONS OVER THE US WAREHOUSES OF ANY OF THESE Manufacturers.

## ⇒ **4.PRICING**

5. Pricing is based on the quantity of items ordered or the price agreed upon. All

orders must be released in their entirety. In the event that a portion of the order is cancelled, the unit price shall revert to the price of the smaller quantity delivered. A minimum of eight weeks lead time is required for any downward revision of schedules, or for cancellations. (The quotations identification i.e. customer P.O. number will be referenced on the customer's order acknowledgment).

5.1. **Price adjustments** may be made to reflect changes in nickel and cadmium price compared to the base price used in the quotation.

5.2. **MPA** is calculated based on the cost of RAW Nickel and RAW Cobalt and the amount of each metal used in the specific cell model

5.3. The Material Price Adjustment is amended each quarter based on the average raw materials cost for 3, 4, and 5 months prior to the start of the quarter. The new MPA schedule is distributed by the battery cell at least 30 days prior to implementation.

5.4. The adjustment in price shall be circulated on a per cell basis to the nearest tenth of a cent. Battery prices shall be adjusted by the change in the price per cell times the number of cells in the battery.

## ⇒ **Shipping**

6. All batteries are sold F.O.B. factory, transportation freight collect or freight COD. Small orders under 100 pounds can be freight prepaid and ad on.

## ⇒ **DELIVERY**

7. Delivery of goods to common carrier or licensed trucker shall constitute delivery to buyer, and all risks of loss or changes in transit shall be borne by the buyer.

7.1. The seller shall not be liable for failure to deliver or delays in delivery caused by strikes, lockout, fire, inability to obtain materials, shipping space, breakdowns, delays or carriers or suppliers, governmental action regulations, and other causes beyond seller's control.

7.2. Seller reserves the right to make delivery in installments, unless otherwise specifically stipulated. All such installments shall be separately invoiced and paid for when due without regard to subsequent deliveries. Delay in delivery at any installment shall not relieve the buyer of its obligation to accept remaining deliveries.

7.3. A minimum of eight weeks lead time is required for any downward revision of shipping schedules.

## ⇒ **CANCELLATION**

8. **Standard cataloged product.** There will be no cancellation charges for standard cataloged products when notice is received 12 weeks prior to shipping. Notification received less than 12 weeks but more than eight weeks prior to shipment shall be

charged 10% of the scheduled shipment dollars. When notification of cancellation is received less than eight weeks prior to shipment, the charge shall be 20% of the scheduled shipment dollars.

**9. Non standard products.** This includes items, private labels, special cases, or any modifications that cannot be readily tested and replaced into inventory for resale. The purchaser may cancel his order upon written notice and upon payment to the Company of cancellation charges, which shall take into account among other things, expenses incurred and commitments already made by the Company for component parts specific to the buyer.

## ⇒ **WARRANTY AND LIABILITIES:**

10. There is No warranty on battery inserts not installed in final assembly by Rathbone Energy staff or any of our approved contractor network. There is No warranty on any battery cell, battery insert, or battery pack developed for use in any war, act of war, police action, or other violent nature.

10.1. There is No warranty on battery cells, battery inserts, or battery packs developed for use not in compliance with the manufacturers battery cell specification sheets on the battery cell, discharge rate, charge rate, or any other battery cell tolerances.

10.2. The standard warranty period on most products is (12) months from the code date printed on the cells, or batteries.

10.3. The warranty is void if the charge – discharge maintenance, storage conditions, and temperature are not adhered to as specified.

10.4. The warranty is void if the product is subjected to abuse, physically damaged, or charged in an abusive manner with a charging device not approved by Rathbone Energy.

10.5. There is no other express warranty or implied warranty including those of merchantability and fitness. Products used for a particular purpose are limited to the express warranty period. Liability for consequential or incidental damages under any and all warranties are excluded.

10.6. If seller finds upon examination that the cell or battery fails to meet its warranty, seller shall promptly furnish a replacement for the defective cell or battery, F. O . B. our plant.

10.7. Where credit terms are provided, Seller reserves the right at any time to revoke any credit extended to buyer because of buyer's failure to pay for any goods when due or for any reason deemed good and sufficient by seller and in such event, all subsequent shipments shall be pre-paid for upon delivery.

## ⇒ **RETURN MATERIAL AUTHORIZATION**

11. Authorization for the return of material claimed to be defective must be obtained

prior to shipment, and all transportation charges must be prepaid by seller. A Return Material Authorization (RMA) number will be assigned and must appear on all packages returned to Rathbone Energy and referred to in all correspondence. Returned material will be subject to inspection and test, and final determination as to whether or not any adjustment is due. The amount of credit, in the event Rathbone Energy agrees the product to be defective, will be calculated based on the latest or last invoiced price.

⇒ **TERMS OF PAYMENT**

12. **Non standard products.** The terms against volume of specialty battery packs ordered shall be Pre-Pay by check or bank wire to Rathbone Energy, Inc.

⇒ **DISCLAIMER**

Ø **NOT RESPONSIBLE:**

13. **Under no circumstances shall we, (Rathbone Energy, Inc, our officers, or our employees), be liable for any injury, loss, damage, or expense suffered or incurred with respect to any defective product, non-defective product, or use of that product by any individual or group.**

13.1. Rathbone Energy, Inc. is NOT responsible for loss of product due to breaking and entering, theft, fire, storm damage, Acts of God, or for any other reason not here listed.

13.2. Rathbone Energy, Inc. is NOT responsible for damages, however unlikely, of undamaged or already damaged battery case shells or components during opening of that product for recell.

**We reserve the right to interpret any and all conditions and situations listed and those not here listed in such a manner as we deem appropriate.**

Any dispute will be governed by the Laws of the State of Tennessee.

Rathbone Energy, Inc.

Newport, TN 37725

Rathboneenergy.com