



TERMS AND CONDITIONS

TERM OF AGREEMENT

The term of this agreement commences on January 1, 2026

DISCOUNTS

Standard Discount applies to all drop-ship orders. Stocking Discounts are only for approved stocking distributor partners on qualifying stock orders only. Qualifying stock orders are shipping to your distribution centers with a minimum of **\$1200 net**. Customer and SKU- specific contract pricing for high-volume end-user customers are available to all distributor partners. Pilot management approval is required, and contract pricing is only applied when drop shipping to the agreed-upon customer.

PRICES AND PAYMENT TERMS

Prices are subject to change without notice. The charge for the selection of any style standard broach or bushing to a specific tolerance within the limits shown in our catalog is \$20.00 **NET**. Payment terms are Net 30 days from the invoice date. There are no early payment discounts. Credit Card payments will have a 4% convenience charge added. No convenience charge when a credit card payment is made at the point of sale for a new customer waiting for Net 30 Terms approval. A finance charge of 1-1/2% per month (18% annual rate) will apply after 30 days from the invoice date. Co-op & Rebates will not be credited if the distributor is on hold due to poor payment.

MINIMUM ORDERS

We have no minimum order value on drop-ship orders. A stock order will have a \$50.00 minimum shipping to warehouse or branch locations.

ACKNOWLEDGMENT

All orders will be acknowledged within 48hrs, if you do not receive an acknowledgment, please contact us to ensure we received the order. Most standard orders will be shipped and billed within 24hrs.

FREIGHT

All shipments are F.O.B. origin. All orders are shipped via UPS Ground and insured for full invoice value unless otherwise specified. Only approved stocking Distributor Partners receive free freight with a minimum order of **\$1,200 net** shipping to your distribution centers, which can be mixed with all Pilot brands. All Keyway Broach Sets, CNC Slotters, International shipments and drop-ship orders do not qualify for free freight.

PACKAGE DAMAGED OR ORDER DISCREPANCIES

To ensure timely processing of a claim or for product credit, Pilot customer service must be notified of any package damage or order discrepancy within 5 business days of receipt of goods. Pilot Precision Products is not responsible for any lost or damaged shipments and is not responsible for any freight charges due to lost shipments.

RETURNED GOODS POLICY

No merchandise is to be returned without prior approval from Pilot management and must be in a resalable condition and original packaging. Return authorizations must be requested within 30 days of the invoice date. Freight charges associated with



returned items are the responsibility of the distributor. No credit will be authorized for products used, damaged by handling, or returned after 60 days of the invoice date. Credit is valid for one year from the issue date and will be based on the invoiced value at the time of purchase less a 20% restocking fee on returns past 7 days of invoice. With prior Pilot management approval, the restocking fee may be waived with an equal or larger off-setting order. All specials, modified standards, and non-stock items are not returnable.

WARRANTY TO THE INDUSTRIAL DISTRIBUTOR

Pilot Precision Products, warrants to original equipment manufacturers, distributors and industrial and commercial users of its products that each new product manufactured or supplied by Pilot Precision Products, shall be free from defects in material and workmanship. Pilot Precision Products, obligation under this warranty is limited to furnishing without additional charge a replacement or, at its option, repairing or issuing credit for any product which shall within one year from the date of sale be returned freight prepaid to the plant designated by Pilot Precision Products, representative and which upon inspection is determined by Pilot Precision Products, to be defective in materials or workmanship. Complete information as to operating conditions, machine setup, and application of cutting fluid should accompany any product returned for inspection. The provisions of this warranty shall not apply to any Pilot Precision Products Tools, product which has been subjected to misuse, improper operating conditions, machine setup or application of cutting fluid or which has been repaired or altered if such repair or alteration in the judgment of Pilot Precision Products, would adversely affect performance of the product. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Pilot Precision Products, shall have no liability or responsibility on any claim of any kind, whether in contract, tort or otherwise, for any loss or damage arising out of, connected with, or resulting from the manufacture, sale, delivery or use of any product sold hereunder, in excess of the cost of replacement or repair as provided herein. IN NO EVENT SHALL Pilot Precision Products, BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES. Pilot Precision Products, makes no other warranty, expressed or implied, except as set forth above; and Pilot Precision Products, neither assumes nor authorizes any other person or entity to assume for it any other obligation or liability in connection with any of its products.

SCOPE OF THESE TERMS

Unless otherwise agreed in writing, these terms constitute our obligations upon our acceptance of any order, regardless of the terms, stipulations, etc.