



Standard Broach, USA Corp. - Standard Terms and Conditions

- 1. Applicability** - These Standard Terms and Conditions of Sale are covering all sales of goods and services by Standard Broach USA to buyer. Seller shall not be deemed to have waived the following terms and conditions if it fails to object to the conditions appearing in, incorporated by reference, or attached to Buyer's Purchasing Order. No modification or waiver of or addition to any of these Standard Terms and Conditions of Sale shall be binding upon Seller unless agreed to in writing and signed by Standard Broach, USA's officer in a written instrument separate from any purchase order or other printed form of the Buyer.
- 2. Definitions - As used herein,**
 - A - "Seller" means Standard Broach, USA
 - B - "Buyer" means the party who submits a Purchase Order
 - C - "Purchase Order" means any order submitted by Buyer for goods and/or services
 - D - "Acknowledgement" means seller's written acceptance of the Purchase Order which includes these Terms & Conditions) transmitted to buyer via fax/email or otherwise
- 3. Acceptance of Orders** - All orders subject to acceptance by Standard Broach, USA. All orders must clearly state the name and address of purchaser and include all product or service specifications with which the Buyer expects Seller to convey or conform. Seller's commencement of performance constitutes its acceptance of the order upon the terms and conditions specified in these Standard Terms and Conditions of Sale. All orders are subject to final credit approval, pre-payment may be required for new customers, or customers with a low D&B rating. Orders that do not include special part requirements, processing, or tolerance specifications will be designed and built using standard processing assumptions, and standard tolerances and specifications. Additional cost resulting from delinquent process or part tolerance specifications, scope change, or modification, will be invoice as a CO "CHANGE ORDER" at the expense of the buyer. Abnormal material specification such as softness below 8R/C or hardness above 32R/C should be clearly called out in the purchase order, as this condition can at times be more difficult to machine.
- 4. Prices** - Quoted prices are valid for 180 days from date of issuance. Orders issued for items or services quoted beyond this period must be confirmed at the time an order is placed. Purchase orders based upon incomplete or inaccurate specifications furnished by Buyer will normally result in additional cost. Specifications submitted after this quotation may also affect prices. Prices are based upon use of Seller's specified premium materials, including those purchased by Seller during its regular course of manufacturing. If Buyer specifies use of component materials other than Seller's premium or specified materials, after receipt of order, prices shall be adjusted accordingly and invoiced at the time of shipment as a separate line item REFERED TO AS A "CHANGE ORDER."
- 5. Terms of Payment** - Unless otherwise agreed in writing by an authorized representative of Seller:
 - A) 1st time or international customers, 100% invoiced due upon receipt, with Purchase Order Confirmation.
 - B) For well know or repeat customer, Net 30 terms standard. If buyer terms are if different, it should be discussed and will be specified on the quote. No reproduction or design rights in or to any product are granted to Buyer by Seller under any applicable purchase contract. All engineering drawings, order specifications, or quotation pricing and details, are considered proprietary. Any other information, furnished by Seller is for Buyer's (or the prospective Buyer's) confidential use only and shall not be used to the detriment of Seller's competitive position. All details provided are for informational purposes only and the specifications contained therein are not binding on Seller except as expressly so stated by Seller in writing, in the form of a separate performance guarantee. No penalty clause of any description shall be effective as to Seller, unless approved in writing to include the signature of Standard Broach USA's Officer.
 - C) Overdue payments are subject to a service charge of 1.5% per month or the maximum legal rate, whichever is lower. To the extent permitted by applicable law, Buyer agrees to pay any and all costs and disbursements, including reasonable attorney's fees, incurred by Seller in legal proceedings to collect overdue invoices or enforce indebtedness. Buyer agrees that any and all costs or disbursements may be added to the total invoice amount already due at the time of placement with an attorney or collection agency.
- 6. Title and Delivery** - All domestic shipments shall be F.O.B. shipping point Seller and shall become the property of Buyer upon delivery to the carrier. All international shipments shall be Ex-Works, shipping point where the work is to be performed Seller and does not include export packaging, The shipment shall become the property of Buyer at the commencement of loading. Buyer shall assume all risk and liability for loss, damage, or delay, after delivery to the carrier for domestic shipments, and commencement of loading for international shipments. Quoted delivery time, references the date of the transfer of title prior to shipment. Seller shall not be liable for delays in the performance of any purchase order or default in delivery arising out of causes beyond the control and without the fault or extraordinary negligence of Seller. Such causes include but are not limited to fires, strikes, floods, epidemics, quarantine restrictions, freight embargoes, unusually severe weather, acts of God, acts, or omissions of Buyer, the public enemy of the Government, shortages of materials, or failure of suppliers of subcontractors to satisfactorily meet scheduled deliveries, and accidents or any other factors or events beyond Seller's control. Delivery dates are estimates, based on prompt receipt of all supplies from Seller suppliers and information from and or performance by Buyer. Seller shall not be responsible for any Buyer driven delay as documented by the Seller. In the event of any such delay, the delivery date shall be extended for a period equal to the time lost by reason of the delay. Shipping dates are computed from the date the Seller issues a valid purchase order with all necessary information and any required deposit payment is received if applicable. The quoted delivery time, references the date of the transfer of title prior to shipment. If Buyer delays delivery of any items, Seller will invoice the Buyer for said items and hold them at Buyer's risk and expense pending instructions from Buyer.



Standard Broach, USA Corp. - Standard Terms and Conditions

- 7. Taxes** - The prices provided in the Acknowledgement are exclusive of any present or future Federal, State, Municipal or other sales or use tax with respect to the goods or services covered hereby, of any other present or future excise tax upon or measured by the gross receipts from this transaction or any allocated portion thereof of by the gross value of the goods covered hereby and of any present or future property tax or other similar charge with respect to the goods or services covered hereby. If Seller is required by applicable law or regulation to pay or collect any such tax or taxes under this Agreement or the goods or services covered hereby, then such tax shall be paid by Buyer in addition to the prices provided herein.
- 8. Limitation of Liability** - Seller's liability for any claim or action of any kind arising out of, connected with or resulting from the manufacture, sale, delivery, resale, use or repair of parts or tools furnished, or services rendered by Seller (including contract operations on Buyer's material) under a purchase order, written or verbal, shall not exceed Seller's price for the product, or service which gives rise to such claim or action. In no event shall Seller be liable for special or consequential damages.
- 9. Warranty** - Seller warrants that at the time of delivery the products, or services, sold by Seller, will conform to applicable drawings and specifications and will be free from defects in material and workmanship, per acceptable industry norms. Any claim of nonconformity or for defective material or workmanship must be made within the applicable warranty period from the date of delivery to Buyer. Unless otherwise stated in Seller's quotation, the warranty period for products or services, all non-conformities must be reported within 30 days of receipt, or as quoted to Buyer. Upon prompt notice (must be within 30 days from receipt of goods) of any claimed nonconformity or defect, Seller's obligation under this warranty is limited, at its option, to repairing or replacing the product or service where feasible, with transportation charges prepaid by Buyer, the component part or the product that are proved to be other than as herein warranted. This warranty applies only to products or component parts thereof under normal accepted operating conditions in the plant of the original buyer and when Buyer establishes that the product has been properly installed, maintained and operated within the limits of rated and normal usage. This warranty does not extend to any labor charges for removal and/or replacement, packing, or shipping of the nonconforming or defective service or product thereof which has a life, under normal usage, inherently shorter than the applicable warranty period. Seller requires Seller's products and tooling to be maintained and sharpened by Seller only. Failure to comply may result in limitation of Seller warranty. It should be noted that Seller takes exception to unusually stringent quality control requirements or reduction in part tolerances, or material changes, that result in a request for no charge warranty service work or site support to the customer facility or no charge tool modification after shipment. This warranty is in lieu of and excludes all other warranties, expressed or implied, arising by operation of law or otherwise including that of merchantability. However, with respect to any tool which has been improperly stored, installed, operated or maintained or which the Buyer has itself modified, replaced, adjusted, or repaired or has permitted modifications, replacements, adjustments, or repairs by third persons, without the consent of the Seller, the Seller shall have no obligation under this warranty provision.
- 10. Packaging and Shipment** - All products will be packaged in accordance with standard commercial practices for domestic shipment and will be shipped by means deemed most appropriate by Seller, and charged to the Buyer, or in accordance with Buyer's specific shipping instructions if applicable. Notwithstanding the above, Buyer shall be responsible for all specifically requested and required packing materials, rust or moisture inhibitors. International Buyers are responsible for all international packaging, selecting the carrier and making shipping arrangements, unless otherwise requested and specifically stated in the quotation and order acknowledgement.
- 11. Cancellations, Returns and Modifications.**
 - a) After Seller transmits the Acknowledgement to Buyer, this Agreement is not subject to cancellation, except with Seller's express written consent. All goods provided under this Agreement are considered to be "custom orders" and cannot be returned.
 - b) Buyer may request modifications to this Agreement only upon written notice to Seller ("Modifications"). Any Modifications must be acknowledged by Seller in writing to be effective and may result in changes to this Agreement (including changes in the estimated delivery date and selling price). Additionally, Buyer shall be liable to Seller for completed parts of this Agreement no longer required due to any Modifications, as determined by Seller.
- 12. Buyer's Materials** - All of Buyer's tooling, goods and other property in Seller's possession shall be fully insured by Buyer, and Buyer releases Seller from all liability for loss or damage to such materials caused by Seller's negligence or otherwise.
- 13. Production Broaching or Machining Quoting and Performance** - All orders for production broaching, or contract machining services (parts made complete), test broaching, or any broaching or machining services are performed on the best effort basis with no implied warranty or guarantee. Any claim or action of any kind arising out of, or connected with, or resulting from, the broaching or machining of component parts under a purchase order, verbal or written, shall not exceed Seller's price of the service performed or quoted. In no event shall Seller be liable for special or consequential damages, shipping, handling, packaging, or loss of anticipated profits.
- 14. Entire Agreement** - The parties hereto certify that they have read this Agreement, that they fully understand its terms and conditions, that this Agreement constitutes the entire agreement between the parties with respect to the goods and/or services set forth in the Acknowledgement, that no promises or understandings (whether written or oral) have been made other than those stated above, and that this Agreement supersedes any and all prior arrangements that may have existed concerning the goods and/or services set forth in the Acknowledgement. Standard Broach, USA reserved the right to modify or change the impact or enforcement of the terms listed herein to the benefit and satisfaction of any one Buyer without prejudice or precedent, in other circumstances, with other Buyers.