

# AMERICAN BROACH & MACHINE CO. STANDARD TERMS AND CONDITIONS OF SALE

**1. Applicability** - All quotations covering products and services sold by and delivered through **American Broach & Machine Company** (hereinafter referred to as "ABM"), are subject to these Standard Terms and Conditions of Sale. ABM 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 an authorized ABM company officer in a written instrument separate from any purchase order or other printed form of Buyer.

**2. Acceptance of Orders** - All orders are subject to acceptance by ABM at its Ypsilanti, Michigan, USA office. All orders must clearly state the name and address of purchaser and include all product or service specifications with which the Buyer expects ABM to convey or conform. ABM'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.

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 will be at the expense of the buyer. Abnormal material specification such as softness below 10R/C or hardness above 32R/C should be clearly called out in the purchase order, as this condition can at times be difficult to broach.

**3. 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 ABM's specified premium components, including those purchased by ABM during its regular course of manufacturing. If Buyer specifies use of component parts other than ABM's premium components after receipt of order, prices shall be adjusted accordingly and invoiced at the time of shipment as a separate line item.

**4. Terms** - Unless alternate terms are included in this quotation or otherwise agreed to in writing, our STANDARD MACHINE TERMS shall apply in all cases.

STANDARD MACHINE TERMS are:

- A) 50% due with Purchase Order Confirmation.
- B) 50% due on approval of system on our floor.

\* see "ABM terms of payment policy - Machine Sales," on our website [www.americanbroach.com](http://www.americanbroach.com).

Terms for accessories, parts, tooling and services ordered separate of a machine, if different, will be specified on the quote. No reproduction rights in or to any product are granted to Buyer by ABM under any applicable purchase contract. All engineering drawings, order specifications, or quotation pricing and details, are considered proprietary. Any other information, furnished by ABM is for Buyer's (or the prospective Buyer's) confidential use only and shall not be used to the detriment of ABM's competitive position. All details provided are for informational purposes only and the specifications contained therein are not binding on ABM except as expressly so stated by Seller in writing. No penalty clause of any description shall be effective as to Seller, unless approved in writing to include the signature of an officer of Seller.

**5. Title and Delivery** - All shipments shall be F.O.B. shipping point where the work is to be performed (ABM's Michigan Plant) and shall become the property of Buyer upon delivery to the carrier. Buyer shall assume all risk and liability for loss or damage after delivery to the carrier.

ABM 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 negligence of ABM. 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 ABM's control. Delivery dates are estimates and are based on prompt receipt of all necessary supplies from ABM suppliers and information from and / or performance by Buyer. Seller shall not be responsible for any buyer driven delay, unless otherwise specified in writing and accepted by Seller. In the event of any such reasonable 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 deposit payment is received. If Buyer delays delivery of any items, Seller may invoice Buyer for said items and hold them at Buyer's risk and expense pending instructions from Buyer.

**6. 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 ABM or in accordance with Buyer's specific shipping instructions. Notwithstanding the above, Buyer shall be responsible for selecting the carrier and making shipping arrangements.

**7. Limitation of Liability** - ABM'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 equipment or component parts furnished, or services rendered by ABM (including contract operations on Buyer's material) under a purchase order, shall not exceed ABM's price for the equipment, component part thereof, product, or service which gives rise to such claim or action. In no event shall Seller be liable for special or consequential damages.

**8. Cancellation for Convenience** - Buyer may cancel an order for its convenience only upon prior written notice and upon immediate payment to ABM of reasonable and proper cancellation charges as will, in accordance with good accounting practice, satisfy all costs incurred by Seller and its proportionate profit from such costs.

**9. Taxes** - Prices are subject to increase for the inclusion of any and all taxes which are applicable and which arise from the sale, or delivery of Seller's equipment, products or services and for the collection of which ABM is or may be responsible to any Government Authority, unless acceptable exemption certificates are provided by Buyer in accordance with law.

This quotation does not include Sales, Use, and Duty, Excise or similar taxes. Those that apply at time of shipment will be added to the invoice.

**10. Assignment** - A purchase order shall not be assigned in whole or in part by either party without the prior written consent of the other party.

**11. Warranty** - ABM warrants that at the time of delivery the machines, products, or services sold by ABM will conform to applicable drawings and specifications and will be free from defects in material and workmanship. 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 ABM's quotation, the warranty period for new machines is 1 year and begins the day the item is delivered to the buyer. For other 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, ABM's obligation under this warranty is limited, at its option, to repairing or replacing at its plant, or shipping replacement from its plant where feasible, with transportation changes prepaid by Buyer, the component part or the product that is 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 of the nonconforming or defective component part or product or to any product or part thereof which has a life, under normal usage, inherently shorter than the applicable warranty period, nor does it extend to products or components manufactured by others than ABM, beyond any warranty extended to ABM by its supplier. In the event of any complaint caused by any such product manufactured by others, Seller will make reasonable effort to secure a satisfactory adjustment from its supplier when requested by Buyer to do so. ABM requires ABM tooling and tool maintenance programs be utilized on the Buyers machine during the warranty period. Failure to comply may result in limitation of ABM warranty. It should be noted that ABM takes exception to unusually stringent quality control requirements or reduction in part tolerances that result in a request for no charge warranty service call 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 item of equipment, component or 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.

**12. Inspection** - ABM shall provide and maintain a final test and inspection procedure in accordance with ABM's normally accepted industrial commercial standards. Buyer should plan to witness the final test and inspection on the premises in ABM's Michigan plant, provided, however, Buyer's election to witness such final test and inspection in no way shall unduly delay the work or services being performed by ABM (see ABM Pre-shipment engineering approval policy on sellers website [www.americanbroach.com](http://www.americanbroach.com)). Performance tests and acceptance will be in ABM's plant prior to shipment with parts and gages supplied by Buyer, unless otherwise agreed to in writing, by ABM. Delays in shipment based on buyer availability to attend the final test and inspection may result in the Seller invoicing the Buyer for said items and holding the items at Buyer's risk and expense pending instructions from Buyer.

**13. Governing Law** - All orders, contracts and transactions shall be interpreted and construed in accordance with the laws of the State of Michigan.

**14. Production Broaching Quoting and Performance** - All orders for production broaching services, test broaching, or any broaching services are performed on the best effort basis with no implied warranty or guarantee, unless ABM is in full control of the manufacturing process plan and performance of said plan. Any claim or action of any kind arising out of, or connected with, or resulting from, the broaching of component parts under a purchase order, shall not exceed ABM's price of the service performed or quoted. In no event shall Seller be liable for special or consequential damages, or loss of anticipated profits.