

TEALE MACHINE COMPANY STANDARD CONDITIONS OF SALE

1. **APPLICABILITY.** These Global Terms and Conditions of Sale (“**Terms**”) apply to the purchase of products and ancillary services (collectively the “**Products**”) by seller (“**Seller**”) and the buyer (“**Buyer**”), each of which is identified in the accompanying quotation, credit application, proposal, order acknowledgement, or invoice (the “**Sales Confirmation**”). These Terms and the Sales Confirmation comprise the entire agreement between the parties (collectively, the “**Agreement**”). Buyer accepts these Terms by signing and returning Seller’s quotation, by sending a purchase order in response to the quotation, or by Buyer’s instructions to Seller to ship the Product. No terms, conditions or warranties other than those identified in the quotation and no agreement or understanding, oral or written, in any way purporting to modify the terms and conditions whether contained in Buyer’s purchase order or shipping release forms, or elsewhere, shall be binding on Seller unless hereafter made in writing and signed by Seller’s authorized representative. Buyer is hereby notified of Seller’s express rejection of any terms inconsistent with this Agreement or to any other terms proposed by Buyer in accepting Seller’s quotation. Neither Seller’s subsequent lack of objection to any terms, nor the delivery of the products or services, shall constitute an agreement by Seller to any terms.
2. **CANCELLATION.** Cancellation or modifications of all or part of any order are subject to Seller’s prior written consent in each instance. If cancellation or modification is allowed, Buyer agrees to pay to Seller all expenses incurred and damage sustained by Seller on account of the cancellation or modification, plus a reasonable profit.
3. **PRICE.** Prices on accepted orders are firm for a period of 180 days from date of acceptance. Other terms to be agreed upon at issuance of order. All stated prices are exclusive of any taxes, fees, duties, and levies, however designated or imposed, including but not limited to value-added and withholding taxes that are levied or based upon the amounts paid under this Agreement (collectively, “**Taxes**”). Any Taxes related to the Products purchased pursuant to this Agreement are the responsibility of Buyer (excluding taxes based on Seller’s net income), unless Buyer presents an exemption certificate acceptable to Seller and the applicable taxing authorities. If possible, Seller will bill Taxes as a separate item on the invoice presented to Buyer. If any exemption certificate presented by Buyer is held to be invalid, then Buyer will pay Seller the amount of the Tax and any penalties and interest related thereto.
4. **PAYMENT.** Unless otherwise set forth in the sales Confirmation, or separate agreement, Buyer will pay all invoiced amounts within thirty (30) days following the date of Seller’s invoice. Unpaid amounts will accrued interest at a rate equal to the lesser of one and one-half percent (1.5%) per month and the maximum rate permitted by applicable law, from due date until paid, plus Seller’s reasonable costs of collection. Seller reserves all other rights granted to a seller under the Uniform Commercial Code (“**UCC**”) for Buyer’s failure to pay for the Products or any other breach by Buyer of these Terms. In addition to all other remedies available to Seller (which Seller does not waive by the exercise of any rights hereunder), Seller may suspend the delivery of any Products if Buyer fails to pay any amounts when due and the failure continues for five (5) days following Buyer’s receipt of notice thereof. Buyer may not withhold payment of any amounts due and payable as a set-off of any claim or dispute with Seller, regardless of whether relating to Seller’s breach, bankruptcy, or otherwise.
5. **TITLE; RISK OF LOSS.**
 - a. Risk of loss or damage passes upon delivery to the carrier. If Buyer fails to accept delivery of any of the Products to the Delivery Location, or if Seller is unable to deliver the Products to the Delivery Location on the date because Buyer has failed to provide appropriate instructions, documents, licenses, or authorizations, then: (i) risk of loss to the Products will pass to Buyer; (ii) the Products will be deemed to have been delivered to Buyer; and (iii) Seller, at its option, may store the Products until Buyer takes possession of them, at which time Buyer will be liable for all costs and expenses resulting from the failure (including but not limited to the cost of storage and insurance).
 - b. Title passes to Buyer upon Buyer’s payment in full for the Products.
6. **QUANTITIES.** All quotations are based on Buyer accepting over-run or under-run on each individual item not exceeding ten percent of quantities ordered, to be paid for or allowed pro rata. Delivery of exact quantities can be made only at an extra charge.
7. **DELIVERIES.** Every effort will be made to fill orders within the time promised but under no circumstances will the Seller assume responsibility for any damages growing out of or owing to any delays whatever. Unless specifically stated to the contrary, quotations are made and orders are accepted for delivery as fast as manufactured by partial shipment packed in bulk.
8. **SAMPLES.** The Seller will submit samples for approval when commencing operations upon any order, but does so with the understanding that his machines are to be run immediately after they are set correctly to Buyer’s accepted specifications, and Seller will assume responsibility for having the product in conformity with such specifications during the period necessary in which to obtain Buyer’s approval. Any change in specifications can be made only at Buyer’s direction and expense. If changes are to be made Seller should be notified at once by written confirmation.
9. **INSPECTION; REJECTIONS OF PRODUCTS.**
 - a. As used in this Section 9, “**Nonconforming Products**” means only the following: (i) the items shipped are different from those identified in Buyer’s purchase order; or (ii) the labels or packaging of the items incorrectly identifies them. Buyer will inspect the Products within five (5) days following receipt thereof (the “**Inspection Period**”). The Products will be deemed accepted at the end of the Inspection Period unless Buyer notifies Seller in writing of any Nonconforming Products and furnishes Seller with written evidence or other documentation reasonable required by Seller. Seller is limited to value of the product invoiced, no other charges may be implemented unless agreed to in writing at the time of order acceptance by seller
 - b. If Buyer timely and properly notifies Seller of any Nonconforming Products, then Seller will, in its sole discretion, (i) replace the Nonconforming Products with conforming Products or (ii) credit or refund the purchase price for the Nonconforming Products, together with any reasonable shipping and handling expenses incurred by Buyer. At Seller’s request, Buyer will dispose of the Nonconforming Products or return the Nonconforming Products to Seller at Seller’s expense. Upon receipt of the Nonconforming Products, Seller will promptly refund the monies owed or ship the replacement Products to the Delivery Location at Seller’s expense, with Seller retaining the risk of loss until delivery.
 - c. Buyer acknowledges and agrees that the remedies set forth in this Section 9 are Buyer’s exclusive remedies for the delivery of Nonconforming Products, and except as set forth in this Section 9, Buyer has no right to return the Products to Seller without Seller’s written authorization.

10. **TOLERANCES.** All dimensions must be limited by a specific tolerance. When not specified by the Buyer it is understood that commercial tolerances apply; viz: Decimal Diameter up to 13/16" plus or minus .005 Fractional Diameters up to 13/16" plus or minus 1/64" Dimensions Lengths up to 2: plus or minus .010" Dimensions Lengths up to 2" plus or minus .015" Drilled hole tolerances, unless otherwise specified will be plus .010". Samples to be considered as fractional dimensions, unless otherwise specified and dimensions of samples will be considered "mean" dimensions. Where there is cross drilling, slabbing and similar operations shown in prints, location will be approximate to other dimensions unless otherwise specified. When Buyer purchases pursuant to his own specifications, the Seller will not be responsible for the design and fitting of parts; the conforming of the Seller's product to the specified tolerances is sufficient evidence as to the correctness of the product. It is definitely understood that concentricity is not a dimension and when specified must be specified separately from dimensions and will be subject to inspection only at the point where the relation is shown on the blueprint. When the concentricity limitation is specified, it is understood that it means the actual eccentricity allowable between the centerlines of the dimensions and which is one-half of a dial reading registration. When concentricity is not specified, the work will be manufactured in the most economical manner without particular regard to concentricity, but to a maximum tolerance of .008" actual eccentricity up to 1" in diameter. Over 1" in diameter maximum tolerance will be increased proportionately. Quotations are made and orders are accepted on this basis.
11. **THREADS.** Unless otherwise specified, threads will be of American National form and in accordance with Class 2A fit as specified in the latest National Bureau of Standards Handbook "SCREW THREAD STANDS FOR FEDERAL SERVICES" When the Buyer specifies threads other than the National "course" and Nation "fine" or other classes of fits, Buyer must furnish gages that will properly check the agreed limits.
EXTERNAL THREADS. Where threading to the shoulder is specified, it will be understood that the last full thread will not be cut closer to the shoulder than a distance of two and one-half threads and in case of fine pitches, never closer than 1/16".
INTERNAL THREADS. Unless dimensional limits for minor diameter of tapped holes are specified, the percent of full depth thread will be in accordance with regularly accepted general practice. Unless otherwise specified, blind tapped holes may not have a full thread closer than five threads from the bottom and in case of fine pitches, not closer than 5/32".
12. **GAGES.** Standard gages are included in estimated price unless otherwise specifically stated. Where tolerances are closer than commercial limits defined under No. 10 TOLERANCES or when dimensions cannot be readily gaged with micrometers, Buyer will be expected to furnish suitable gages. Such gages may be supplied by Seller at an extra charge. When the manufacturing tolerances are closer than commercial limits defined under No 10 TOLERANCES the dimensions of the inspections gages to be used by the Buyer shall be furnished to the Seller. In the case of threads, the inspection gages shall confirm to the limits specified by the latest National Bureau of Standards Handbook "Screw Thread Standards for Federal Services" for inspection gages. The Seller does not guarantee fits between mating parts. To assure such fits Buyer must supply proper "go" and "not go" gages which are in accordance with agreed limits.
13. **DIES, ETC.** Charges for dies, tools, or gages do not convey ownership or the right to remove them from Seller's factory. Seller will not be responsible for drawings, samples, models or gages furnished by the Buyer, and uncalled for within 30 days of execution of any order or quotation.
14. **SHIPMENT.** In ordering, the Buyer should state explicitly the method of shipment preferred. In absence of shipping directions the Seller will use discretion, forwarding by United Parcel Service or parcel post when packages are small and therefore liable to be lost in transit by freight. These shipments will be insured at the Buyer's expense unless otherwise specified. The Seller assumes no responsibility for placing of valuations upon shipment unless specifically requested to do so by the Buyer.
15. **BUYER'S MATERIAL.** Quotations covering machining of Buyer's material are made subject to delivery of the amount of material as specified by the Seller in 10 to 12 ft lengths. F.O.B. Seller's plant, and are subject to change if material furnished by the Buyer will not machine with reasonable wear on tools at the speed and feed estimated. The Seller does not guarantee to deliver more than 90% of the quantity ordered.
16. **PATENTS.** It is not the intention of the Seller to manufacture any product, which is an infringement of a patented article. The Seller makes parts strictly to dimensional specifications furnished by the Buyer. It is agreed that the Buyer will defend and save harmless the Seller from any and all expense involved in any claims for damages from infringements of letters patent by the use and sale of parts made by the Seller, either as such or as parts or units of complete entities.
17. **WARRANTY. SELLER MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, OF ANY KIND, AND SELLER DISCLAIMS ALL WARRANTIES WHATSOEVER, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**
18. **INDEMNIFICATION.**
 - a. Buyer will defend, indemnify, and hold harmless Seller and its parent company, their respective subsidiaries, affiliates, successors, and assigns and their respective directors, officers, shareholders, and employees from and against any loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost, fees (including import and export customs fees), or expense (including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers) ("Claims") arising out of or occurring in connection with the negligence or willful misconduct of Buyer or its employees or agents, including but not limited to: (i) any misuse or modification of the Products by Buyer or its employees or agents, (ii) any act (or failure to act) by Buyer or its employees or agents in contravention of any safety procedures or instructions that Seller provides to Buyer or its employees or agents, or (iii) the failure to store, install, operate, or maintain the Products in accordance with the Instructions.
 - b. Seller will defend, indemnify, and hold harmless Buyer and its subsidiaries, affiliates, successors, and assigns and their respective directors, officers, shareholders, and employees from and against any Claims arising out of or occurring in connection with the negligence or willful misconduct of Seller or its employees or agents.
19. **LIMITATIONS OF LIABILITY.**
 - a. **IN NO EVENT WILL SELLER BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO ANY LOSS OF USE OR UNDER-UTILIZATION OF LABOR OR FACILITIES, LOSS OF REVENUE OR ANTICIPATED PROFITS, LOST DATA, AND COSTS OF PROCUREMENT OF SUBSTITUTE GOODS, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, OR OTHERWISE, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF THE DAMAGES.**
 - b. **EXCEPT FOR DEATH OR BODILY INJURY RESULTING FROM SELLER'S NEGLIGENCE OR WILLFUL MISCONDUCT, SELLER'S TOTAL LIABILITY FOR ALL CLAIMS ARISING OUT OF, OR RELATING TO, THE GOODS WILL BE LIMITED TO GENERAL MONEY DAMAGES IN AN AMOUNT NOT TO EXCEED THE TOTAL PURCHASE PRICE FOR THE GOODS GIVING RISE TO THE CLAIM.**
20. **FORCE MAJEURE.** Seller will not be liable for any failures or delays caused by strikes, differences with workers, or any causes beyond the reasonable control of Seller, including but not limited to fires, floods, accidents, action of any governmental authority, war, insurrection or riots, or shortages of

labor, energy, raw materials, production facilities, or transportation. Where delays or failures are caused by labor difficulties, Seller will not be obligated to seek or obtain any settlement that, in Seller's sole judgment, is not in Seller's best interest.

21. GOVERNING LAW; VENUE; DISPUTE RESOLUTION.

- a. All matters arising out of or relating to this Agreement is governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of New York. Any legal suit, action or proceeding arising out of or relating to these Terms will be instituted in the federal or State courts located in the City of Rochester, New York. Each party irrevocably submits to the exclusive jurisdiction of the courts in any the suit, action or proceeding.
- b. Seller will have the sole and exclusive right to determine whether any dispute, controversy or claim arising out of or relating to the Agreement, or the breach thereof, will be submitted to a court of law or arbitrated. The venue for any arbitration will be in Rochester New York. The arbitrator's award may be confirmed and reduced to judgment in any court of competent jurisdiction. In the event the matter is submitted to a court, Seller and Buyer hereby agree to waive their right to trial by jury and covenant that neither of them will request trial by jury in any the litigation.

- 22. MISCELLANEOUS.** Buyer acknowledges that it has not been induced to purchase any the Products from Seller by any representation or warranty not expressly set forth in this Agreement. These Terms and the Sales Confirmation constitute the entire agreement of the parties and supersede all existing agreements and all other oral or written communications between them concerning its subject matter. None of the Terms may be added to, modified, superseded, or otherwise altered, except by a written document signed by an authorized representative of Seller that specifically references these Terms and states that it modifies them. If there is a conflict between the provisions of the Sales Confirmation and these Terms, then the terms of the Sales Confirmation will govern. No waiver by Seller of any of the provisions of these Terms is effective unless explicitly set forth in writing that specifically references these Terms and is signed by Seller. No failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from these Terms operates or may be construed as a waiver thereof. No single or partial exercise of any right, remedy, power, or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The Section headings contained in these Terms are for convenience only and will not affect the interpretation of any provision. If any provision of this Agreement is held to be prohibited or unenforceable, the provision will be changed and interpreted to accomplish the objectives of the provision to the greatest extent possible under applicable law and the remaining provisions will continue in full force and effect. Buyer will not assign any quotation or accepted order for the Products, in whole or part, without Seller's prior written consent.