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[www.systemicron.com](http://www.systemicron.com)

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GENERAL TERMS AND CONDITIONS OF SALE  
EFFECTIVE APRIL 1, 2019

1. Application. These General Terms and Conditions of Sale (Terms) apply to: (a) all proposals and quotations submitted by Micron Manufacturing Co. (Seller); (b) all purchase orders received by Seller; and (c) all sales of goods and services sold by Seller, except as otherwise specifically provided in a document issued by Seller. Any services to be provided by Seller, whether or not they are otherwise ancillary to and part of a sale of goods (as separate units or included as part of an installation), will be considered ancillary to a sale of goods, and the UCC will apply to all goods and services to be provided by Seller (Goods).
2. Formation. A written quotation issued by Seller is an offer to sell. Buyer will be deemed to have accepted the provisions of these Terms and an agreement will be formed by placing a purchase order. All sales by Seller consist only of these Terms and those in other documents which are referred to in these Terms or are attached hereto or in a document provided or signed or issued by Seller and referencing the transaction (all of which constitute the Agreement). Seller objects to all terms proposed by Buyer.
3. Integration and Modification.
  - A. Revocation. The Agreement supersedes all previous quotations and agreements pertaining to the Goods. Delivery to Seller of Buyer's acceptance of Seller's quotation (according to its terms), Seller's actions in reliance on Buyer's oral acceptance of a written or oral quotation, or Buyer's receipt of the Goods, will constitute a binding contract under the terms of the Agreement.
  - B. Complete Integration. The Agreement is a final, complete and exclusive statement of the Agreement of Buyer and Seller. An order or an amendment submitted by Buyer orally or in a purchase order or other writing (whether or not it contains terms or conditions modifying, adding to, repugnant to or inconsistent with these Terms ), may be accepted, approved or filled by Seller, but any resulting contract and the liabilities or obligations of Seller will be determined solely by the Agreement, and (unless Seller otherwise advises Buyer in writing) notice is given that Seller objects to any such terms or conditions in Buyer's purchase order or other document or communication. Seller will not be deemed to have in any way enlarged or modified its liabilities or obligations under the Agreement by filling such order or by failing to further object to Buyer's terms or conditions.
  - C. Parties. The Agreement is only for the benefit of Buyer and Seller, except all disclaimers and limitations applicable to Seller will be also for the benefit of Seller's affiliates, agents, employees, contractors, and suppliers. If any other provisions of the Agreement are determined to apply to third parties, all other provisions including limitations, waivers, and disclaimers also apply.
  - D. Acknowledgments. Buyer and Seller acknowledge that: (i) they are merchants in respect to the Goods produced by Seller; (ii) they have had an opportunity to review the Agreement; and (iii) the provisions of the Agreement are reasonable when considered as a whole.
4. SHIPMENT TERMS: F.O.B. shipping point.
5. QUOTATIONS AND ACCEPTANCE: Unless otherwise stated, all quotations are for immediate acceptance and subject to change without notice. All orders and contracts are subject to acceptance only at Seller's home office. Typographical errors are subject to correction.
6. CREDIT: Accounts will be opened only on approved credit. Seller reserves the right to decline delivery except for cash whenever doubt as to Buyer's financial condition develops.
7. CANCELLATION: Orders may be canceled or deliveries deferred by Buyer with written consent of Seller only upon the condition that Buyer assumes immediate liability and makes payment to Seller for all work complete at the unit sales price; work in process on the basis of the percentage of completion thereof times the unit sales price; raw material, unamortized tooling, engineering and other cancellation charges incurred on the basis of cost to Seller plus handling and overhead charges. All cancellation charges to be determined at the time of cancellation or deferment.
8. QUANTITIES: All quotations are based on Buyer accepting over-run or under-run on each individual item not exceeding 10% of quantities ordered. Where closer control of quantity is required special arrangements must be made.
9. Shipping Dates. Shipping dates are estimates based on Seller's present engineering and capacity and scheduling, and may be revised by Seller upon receipt or scheduling of Buyer's order. All shipping dates are approximate and will be computed from the date of entry of the order on Seller's books. Timely delivery is dependent on Buyer providing Seller with the minimum lead time quoted by Seller and Seller's prompt receipt from Buyer of a written purchase order or acceptance, and other conditions as specified in the Agreement, and of all drawings, information and approvals convenient or necessary to provide the Goods and/or to grant any credit terms in the Agreement.
10. Delay of Shipment or Performance Excused for Various Reasons.
  - A. Delayed Shipment. If shipment or other performance by Seller is delayed at the request of or due to the fault of Buyer, Seller may at its option hold the Goods at the place of manufacture or elsewhere at the risk and expense of Buyer from the time it is ready for shipment. In the event of any such delay in shipment, full and final payment for Goods is due and payable 30 days after Buyer is notified that the Goods are ready for shipment. If Seller is unwilling to accommodate Buyer by holding such Goods, Buyer must accept shipment immediately.
  - B. Delayed or Failed Delivery. All inspection, delivery and other dates for Seller's performance are estimates only. In addition, Seller will not be in default because of its delay or failure to deliver or perform under the Agreement resulting, in whole or in part, from: (i) any foreign or domestic embargoes, seizures, acts of God, insurrections, war, or the adoption or enactment of any law, ordinance, regulation, ruling or order; (ii) shortages of raw materials or labor; (iii) the lack of usual means of transportation, fires, floods, explosions, strikes or other work actions, or any other accidents, contingencies, or events, at Seller's or its supplier's plant or elsewhere (whether or not beyond Seller's

control) which directly or indirectly interfere with, or render substantially more burdensome, Seller's production, delivery, or performance; (iv) delays by Buyer in inspecting and acceptance, in furnishing requested specifications, materials, tooling or information, in making payments, or otherwise; (v) failure of Seller's suppliers to perform including third party's failure to provide Directed Source Supplies. If one or more deliveries hereunder is delayed by reason of any one or more of such occurrences for a period of 30 days, Seller may, at its option, terminate the Agreement as to the undelivered Goods or waive such delay and establish a new delivery schedule. Any cause beyond the control of Seller. In no event shall Seller be liable for any consequential, special, or contingent damages arising out of Seller's default or delay in filling this order.

- C. Supply Allocation. Whenever Seller's supply of the Goods, materials or means of production is insufficient to meet the estimated delivery schedule or in the event of any occurrence mentioned above in Subsections A and B, Seller, in its sole discretion, may allocate its supply to its own use or other customers.
- D. Effect. This Section will be effective even as to events described in Subsections A, B and C which exist on the date of a quotation or of contract formation.
- E. Unless otherwise agreed between Buyer and Seller, orders are accepted for delivery as fast as manufactured by complete shipment packed in bulk. If either party has the right to make or demand delivery in lots, the price may be demanded for each lot.
11. SAMPLES: If requested, 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 while awaiting Buyer's approval. Any changes in original specifications will be made only at Buyer's direction and expense. If changes are to be made, Seller must be notified at once by telephone or fax followed by written confirmation.
12. Service Parts. This Agreement covers production Goods only, and not service parts. If Buyer requires goods beyond date of last production, Buyer and Seller will renegotiate as they see fit.
13. CLAIMS: If Buyer claims delivery of material not as ordered, he must notify Seller within fifteen (15) days of receipt of shipment. If such claim is sustained, Seller shall repair, replace, credit or complete order within the limitations of No. 8 QUANTITIES. Charges for repair or inspection of parts by Buyer without prior authorization cannot be honored. Seller shall have the option of inspecting the goods on Buyer's premises or of taking back the goods and deciding whether to replace goods or credit Buyer.
14. Claims for shortage of goods must be presented within fifteen (15) days from the date of receipt of goods and must state the packing slip number, weight including tare and the method used in arriving at a count of the parts. Any claim for error in weight or shortage not presented in accordance with this provision will conclusively be deemed waived.
- Seller will not allow claims on those goods further processed by Buyer resulting in change of dimensions or characteristics from parts as ordered.
15. TOLERANCES: All dimensions must be limited by specific tolerance. When not specified, it is understood that commercial tolerances apply: vz.,
- Decimal: All diameters plus or minus .005"
  - Angles: Plus or minus 1 degree
  - Dimensions: Lengths plus or minus .010"
  - Intersecting Surfaces: Fillets .020" Max./ Corners .020" Max. Radius or chamfer
  - Fractional: All diameters plus or minus .015"
  - Dimensions: Lengths plus or minus .015"
  - Drilled hole to tolerance will be open unless otherwise specified by Buyer.
  - Samples are to be considered as denoting fractional dimensions, unless otherwise specified and dimensions of samples will be considered "mean" dimensions. Where there is cross-drilling, milling and similar operations specified, the location will be without relation to other dimensions unless otherwise specified.
  - When Buyer purchases to his own specifications, Seller will not be responsible for the design and fitting of parts.
  - Concentricity requirements, if any, must be specified separately from dimension and will be subject to inspection only at the point where the relations is shown on the blueprint. When concentricity limitation is specified, it is understood that it means the actual eccentricity allowable between the centerlines of the dimension, which is one-half of dial-reading registration. When concentricity is not specified, the work will be manufactured in the most economical manner without particular regard to concentricity.
16. Surface Finish- Unspecified finishes will be targeted for 125 micro-inches or better. Due to production methods and material grade, however, finishes may exceed 125.
17. THREADS: Unless otherwise specified, threads will be of the American National or Unified form and will be made to Class 2A and Class 2B Fit tolerances. When Buyer specifies threads other than sizes in the Coarse Thread Series or Fine Thread Series or in other classes of tolerances or limits, gages are to be furnished by Buyer or charged for by the Seller.



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18. **EXTERNAL THREADS:** Where threading to the shoulder is specified, if a relief or under-cut of sufficient width is not provided for, 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 the case of fine pitches, never closer than 1/16".
19. **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".
20. **GAGES:** Where dimensions cannot be readily gaged with micrometers and require special gages, such gages may be furnished by Buyer or supplied by Seller at an extra charge. In the case of threads, the inspection gages shall conform to the limits specified by the latest National Bureau of Standards Handbook H28, as supplemented, entitled "Screw Threads Standards for Federal Services for Inspection Gages."
21. **INSPECTION:** Inspection by Seller is made on a percentage basis only. If 100% inspection is required, it is at Buyer's expense. Buyer shall establish acceptable quality levels including the designation of sampling plans in writing prior to quotation by Seller. Otherwise, Seller reserves the right to adjust his quotation or delivered part price in consideration of a subsequent establishment of an A.Q.L. by Buyer.
22. **DIES, TOOLS, ETC.** Tools, dies, jigs, fixtures, gages, and their engineering and design, are integral parts of Seller's manufacturing processes. Therefore, separate quotation to, or payment by Buyer for these items, supplied by Seller, conveys neither ownership nor the right of removal from Seller's factory.
23. **SHIPMENT:** In ordering, Buyer should state explicitly the method of shipment preferred and, in the absence of shipping directions, Seller will use discretion forwarding by air or rail express, truck or parcel post when packages are small and, therefore, subject to loss in transit. Shipment will be insured at Buyer's expense, unless otherwise specified by Buyer. All goods are sold F.O.B. shipping point so Buyer assumes freight cost and liability for any loss or damage to goods once the goods have left Seller's premises.
24. **BUYER'S MATERIAL:** Quotations covering machining of Buyer's material are made subject to delivery of the amount of material as specified by Seller in 12' to 14' lengths, F.O.B. Seller's plant, and are subject to change if material furnished by Buyer is defective or will not machine with reasonable wear on tools at the speed and feed estimated. Chemical and physical specifications are the sole responsibility of Buyer, and parts manufactured from Buyer's material, which conform to blueprint specifications, shall be accepted by Buyer. Seller does not guarantee to deliver more than 90% of the quantity ordered, in accordance with No. 8 QUANTITIES. If Buyer's material proves defective in total or in part or of a different character than represented by either Buyer or material producer, all work performed by Seller shall be reimbursed by Buyer.
25. **PATENTS:** It is not the intention of Seller to manufacture any product that is an infringement of a patent. Buyer will defend and reimburse Seller from all expense and damages resulting from claims of infringement whether or not the goods are a part or a unit of a complete entity.
26. **TAXES:** Taxes imposed by any present or future law of federal, state, county, or municipal authority on the manufacture, sale or use of the articles purchased hereunder and required to be paid by Seller shall be added to the amount to be paid by Buyer. Buyer shall furnish evidence of exemption if applicable. Custom duties or taxes are not included in prices; Buyer shall reimburse Seller for any such duties or taxes as Seller may pay or subsequently be assessed.
27. **WARRANTY:** Seller warrants that goods manufactured by him will conform to the drawings and specifications furnished by Buyer. If the goods manufactured by Seller fail to function under normal and proper use within a period of six (6) months because of defects in material or workmanship, and written notice is received by Seller no later than seven (7) months after date of receipt of such goods by Buyer, Seller will at his option credit, repair, or replace such products determined by Seller to be defective. In any event, Seller's liability under this warranty shall be limited to the cost of the defective item (s). Seller shall not be responsible for parts and/or goods that have been improperly installed, used, stored, handled, or otherwise improperly treated.
  - A. Seller shall have the option of inspecting the goods on Buyer's premises or authorizing their return. No goods are to be returned without written consent nor shall the Seller be liable for any expense, including inspection expenses, incurred by Buyer in order to remedy defects in said goods.
  - B. Products manufactured by others but furnished by Seller are limited to the original manufacturer's warranty and Seller shall not be liable under any circumstances for defects in such products.
  - C. Because goods furnished hereunder are the Buyer's specifications and are used or combined by Buyer with other equipment or components not furnished by Seller, Buyer agrees to indemnify Seller for all claims resulting from the use or incorporation of said goods in the Buyer's products.
  - D. Prior Written Consent. Seller will not be liable for any costs related to a recall, service campaign or similar action without its prior written consent.
  - E. Any controversy or claim arising out of or related to this contract, or the breach thereof, must be commenced within one (1) year after the cause of action has occurred.
28. **Breach.**
  - A. Default. If Buyer defaults in the performance of its obligations, if Buyer advises Seller that it will default in the performance of its obligations, or if any action is started by or against Buyer seeking the appointment of a trustee or receiver or the entry of an order for debtor's relief for Buyer, Seller may cease performance of its obligations, recover the Goods in transit or delivered, disable delivered Goods, and otherwise enforce its remedies for Buyer's default.



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- B. Compensation. Seller will be awarded interest, consequential and incidental damages and costs (such as interest and actual reasonable attorney fees) in any proceeding to enforce its remedies in which it obtains relief or damages or in which it prevails in the defense of any action by Buyer.
  - C. Security. Seller may require that Buyer post security for any or all amounts to be paid if Seller has a good faith doubt as to Buyer's ability to make prompt payment. If Buyer does not post such security, Seller may cease performance of its obligations, and enforce its remedies for Buyer's default.
  - D. Cumulative Rights and Limitations. All rights granted to Seller and all limitations in favor of Seller in the Agreement and by law are cumulative, except that Seller will be entitled to only a single full recovery.
  - E. Good Faith. Seller will not be liable for any action taken pursuant to a good faith exercise of any of its rights under the Agreement or law.
  - F. Waiver. Seller's failure or delay in enforcement of any provision will not constitute a waiver of a breach or of that provision.
29. Force Majeure. Seller will not be responsible for any delay or failure in any performance due, without limitation, to acts of God, war, warlike conditions, blockade, embargoes, riots, governmental restriction, duty, or tariff, labor disturbances, unavailability of anticipated usual means of supplies, materials, or labor, transportation or loading facilities, wrecks, epidemics, quarantine, fire, flood, earthquake, explosion, any unforeseen change in circumstances, or any other causes beyond its reasonable control.
30. Choice of Law. THE AGREEMENT IS GOVERNED, CONSTRUED AND ENFORCED UNDER THE LAWS OF MICHIGAN, EXCEPT AS PROVIDED IN THESE TERMS. The U.N. Convention on the International Sales of Goods does not apply.
31. Jurisdiction. THE FEDERAL AND STATE COURTS COVERING KENT COUNTY, MICHIGAN HAVE EXCLUSIVE JURISDICTION OVER BUYER AND SELLER AND THE CLAIMS ARISING UNDER OR RELATED TO THE AGREEMENT, UNLESS WAIVED IN A WRITING SIGNED BY SELLER AND SUBJECT TO ANY RIGHT OF ARBITRATION WHICH MAY BE PROVIDED BY THE AGREEMENT. Buyer and Seller stipulate to the jurisdiction of the Michigan state and federal courts as to all litigation. Any declaration of unenforceability of a provision will be as narrow as possible and will not affect the enforceability of the other provisions. A tribunal with jurisdiction reform a provision of the Agreement, at the request of Seller, to the extent minimally required for enforcement.
32. Arbitration. At Seller's election, all controversies and claims arising out of or relating to the Agreement, or the breach thereof, will be settled solely by arbitration held in Kent County, Michigan, provided that Seller may also elect to institute, prior to formation of the arbitration panel, an action for a claim and delivery or replevin action to enforce its security or other interests in the Goods. The arbitrator(s) may enter an interim award that the Goods be returned to Seller for appropriate disposition and the application of any proceeds to amounts owed to Seller. Judgment upon any arbitration award may be entered in any court of record having jurisdiction thereon. No demand for arbitration hereunder may be filed by Buyer. The arbitrator(s) will be bound by the terms of the Agreement and will not apply any principles of ex aequo et bono nor allow any claims not specifically permitted by the Agreement. The arbitrator(s) may include the fees of the arbitration tribunal and arbitrators in an award. The arbitration proceedings and the award will be confidential.
33. Severability. Any provision found to be unenforceable by a final unappealed order entered by the court or tribunal will be severed from this Agreement. Such severance will be as narrow as possible and may not affect the remainder of this Agreement in such action and other actions, unless the court or tribunal also finds, on the request of Seller that without such provision as originally written, the Agreement is not likely to meet the reasonably commercial expectations of Buyer and Seller and in such case, the court or tribunal will enter an equitable judgment of rescission, termination or reformation of this Agreement as necessary to reach an equitable result.
34. Assignment. No right or interest in the Agreement may be assigned by Buyer without the prior written consent of the Seller. Any assignment attempted by Buyer will be void and ineffective for all purposes unless made in conformity with this section.

IT IS EXPRESSLY AGREED THAT THIS WARRANT IS IN LIEU OF ANY AND ALL OTHER WARRANTIES AND LIABILITIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANT OF MERCHANTABILITY OR FITNESS FOR ANY PRUPOSE AND ANY LIABILITY FOR CONSQUENTIAL DAMAGES ARISING OUT OF THE USE OF THE PRODUCT SOLD HEREUNDER. THE FOREGOING STATES SELLER'S ENTIRE AND EXCLUSIVE LIABILITY AND BUYER'S EXCLUSIVE AND SOLE REMEDY. SELLER WILL IN NO EVENT BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL OR CONTINGENT DAMAGE OR EXPENSE ARISING DIRECTLY OR INDIRECTLY FROM ANY DEFECT IN ITS GOODS OR FROM THE USE THEREOF, NOR IS ANY OTHER PERSON AUTHORIZED TO ASSUME FOR SELLER ANY SUCH LIABILITY.