



World Leader in Superabrasive
Finishing Systems

Standard Terms and Conditions of Machine Sale

1. NOTES, TERMS AND CONDITIONS

The sale of any goods produced by Engis Corporation ("Engis") shall be subject to these standard terms and conditions. They shall take precedence over any terms of purchase which the purchaser of the Goods ("the Purchaser") may incorporate in the order for the Goods ("the Order"), but they shall be subject always to any additional terms expressly agreed upon in writing by Engis and the Purchaser ("the Parties"). No variation or addition to the standard terms and conditions of sale shall be of any force or effect unless reduced to writing and signed by the Parties.

2. ESTIMATED SHIPMENT

All delivery estimates shown in the quotation or Proposal depend upon stock levels and are subject to prior availability of engineering and production time. The actual starting time for delivery estimates begin only upon receipt of a formal Purchase Order, receipt of any required down payment, receipt of current piece part drawings and any sample parts required for design. Sample parts must be representative of parts as they will approach the equipment during an actual production run. In case any required parts, necessary drawings and information are not received within ten (10) days after submission of the Purchase Order, Engis Corporation reserves the right to extend the estimated time of delivery. We will do our utmost to meet delivery schedules, but Engis Corporation shall not be responsible for failure to perform or to keep any of its obligations under this Proposal or for any delay in the performance or completion of any such obligations, if such failure or delay shall be the result of causes beyond its control, including obtaining any required export license or export authorization.

3. PAYMENT TERMS

Unless otherwise agreed to in writing by the Parties, within thirty (30) business days of receipt of Order Acknowledgement and Pro Forma Invoice, the Purchaser shall provide Engis Corporation with the required irrevocable letter of credit for the full remaining balance of the purchase price of the Goods. All bank charges to be paid by applicant.

Notwithstanding anything contained in the standard terms and conditions of sale, Engis shall be entitled to delay the delivery of any Goods ordered if the Purchaser is in default in relation to any amounts due and payable to Engis.

4. PRINTS

In the event an Order develops from the Proposal, please send part prints with the Purchase Order.

PARTS FOR DEVELOPMENT & TESTING The Purchaser shall provide Engis Corporation with an adequate supply of production parts, shipping cost prepaid. Parts provided shall be within print tolerances, dry, free of oil, dirt, burrs and flash. Any rework required as a result of the parts deviating from print tolerances will be done on a time-and-material basis. Parts for development and testing will be returned with the completed machine.

FINISHING AND PRODUCTION RATES Our finishes and estimated production rates are based on the use of Engis tools and material of a machinable grade as documented at the time of proposal on the Purchaser's supplied part prints. Any deviation from machinable grade material may result in lower production rates.

5. SPECIFICATION

All specifications will be according to the standards of Engis Corporation unless other specifications are noted by the Purchaser upon receipt of this Proposal, and accepted by Engis within the order conformation. Any changes in design, manufacture or assembly required by the Purchaser due to special, local, regional, national, or other codes will be done at the expense of the Purchaser.

6. PRICE

Prices quoted are Ex-Works Wheeling, IL, U.S.A. based on the data contained in the Proposal and are for acceptance within sixty (60) days from the date of the Proposal. Engis Corporation reserves the right to revise the quoted price if 1) any change in the design, manufacture or assembly of the equipment is requested by Purchaser; 2) it becomes necessary to rework tooling as a result of any deviation of parts from prints that result in additional costs; or 3) prices of equipment included in this Proposal and furnished by other manufacturers are changed beyond the controls of Engis.

7. TAXES

The purchase price of the Goods shall be exclusive of any insurance costs and any taxes, levies and/or duties payable in the jurisdiction of the named place for delivery of the Goods stipulated in the Order and such taxes, levies and duties shall be for the Purchaser's account.

8. CANCELLATION OF ORDER

Orders are not subject to cancellation, except by mutual consent expressed in writing and signed by duly authorized officials of Engis Corporation and the Purchaser. In the event of cancellation, Purchaser shall indemnify Engis Corporation against any loss resulting from cancellation and within thirty (30) days of the effective date of cancellation, Purchaser shall pay to Engis Corporation all costs and expenses incurred as a result of this Order, including, but not limited to, costs for engineering, labor, materials and handling, plus an amount equal to fifteen percent (15%) of the total of such costs and expenses. Permission to return material for credit must be obtained in writing. Upon receipt of permission, this material must be sent to the Engis plant, shipping costs prepaid. Credit will be issued only for items received in new and salable condition, subject to restocking and handling charge of fifteen percent (15%).

9. ACCEPTANCE AND SERVICE

Purchaser will accept all completed machines or systems at our plant. At the time of acceptance at our plant, Engis Corporation will demonstrate to Purchaser's personnel the proper method of setting up, operating, maintaining and servicing its equipment. Such demonstration is optional with Purchaser and shall be deemed to have been waived if orders are received in writing from Purchaser to ship the equipment to Purchaser. The Goods shall be suitably packaged by Engis to ensure safe arrival at the named destination and the purchase price for the Goods shall be inclusive of such packaging. Any claims arising from Goods damaged in transit must be made by the Purchaser against the carrier.

When statistical analysis is required to substantiate the capability of an Engis machine and/or tooling system, the requirement for said analysis, fully stating the CPK level which is to be achieved, must be requested in writing by the Purchaser prior to issuing an order to Engis. The Purchaser shall agree to furnish qualified parts which are sequentially numbered and completely marked for proper orientation in the machine tool fixtures and the Purchaser shall agree to furnish all pertinent dimensional data required to warrant that the qualified parts supplied are themselves capable of supporting the CPK level desired.

10. WARRANTY

Engis Corporation warrants that all products manufactured by Engis Corporation conform to applicable specifications and will be free from defects in workmanship, materials, manufacture and design, excluding normal wear of machine tooling and components, for a period of twelve

((12) months. The Purchaser shall maintain adequate records to determine proof of the warranty period. Notwithstanding the foregoing, the warranty for standard purchased component and equipment will be limited to the warranties of the respective manufacturers of the components and equipment. If: (a) the Purchaser modifies or alters the equipment without the express written consent of Engis Corporation or; (b) the Purchaser neglects, misuses or fails to properly maintain the equipment; or; (c) operating conditions are significantly different than those for which the equipment was designed, then this warranty shall be null and void. Engis Corporation warrants that all Products delivered shall be free from and clear of any liens or encumbrances; and do not infringe on any patent, copyright, trademark, or any other intellectual property of any third party.

11. WARRANTY OBLIGATION

If equipment which has been, during the warranty period, promptly reported by the Purchaser as defective in material or workmanship, and is so found by Engis Corporation upon examination, then Engis will make any repairs, additions or corrections or, at its option, provide replacement parts to the Purchaser.

12. EXPORT REGULATIONS

The Parties shall not act in a manner which may cause either to be violation of applicable United States trade laws and regulations, including but not limited to the Export Administration Act of 1979. Purchaser covenants that it will not directly or indirectly sell, provide, export, re-export, transfer, divert, loan, lease consign or dispose of any Goods received from Engis to or via any entity, or destination, or for any use prohibited by the laws or regulations of the United States. Engis Corporation shall undertake to determine any export requirements, to obtain any required export license or other export authorization, and to carry out the required customs formalities for the Goods it exports. Purchaser shall provide all necessary information required to determine if an export license must be obtained.

13. LIMITATION OF LIABILITY

Engis Corporation liability, whether in contract or tort, under any warranty, in negligence or otherwise, shall not exceed providing of replacement parts to Purchaser. Under no circumstances shall the Seller be liable for special, indirect, incidental, or consequential damage of any nature, including but not limited to: direct or indirect labor costs and overhead expenses; and damage to equipment or property. The price stated for the equipment is a consideration in limiting Engis Corporation's liability.

THE WARRANTY PRINTED ABOVE IS THE ONLY WARRANTY APPLICABLE TO THE PURCHASE. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED PURPOSE ARE DISCLAIMED.

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