



Puritan Magnetics, Inc.
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**PURITAN MAGNETICS, INC.
TERMS & CONDITIONS OF SALE**

- 1. Applicability.** Any sale, repair, inspection, maintenance or modification service made or supplied by Seller shall be made or supplied upon the terms and conditions set forth herein, which, together with the quotation of the Seller, if any, constitute the complete agreement of the Customer and the Seller resulting from the acceptance of a quotation of the Seller or of an order from the Customer and supersede any other agreement or representation verbal or In writing, with respect to the subject-matter herein. Any purported additional or different terms or conditions contained in the Customer's order or response to quotation or any other document shall be deemed objected to by the Seller without need of further notice and shall not be effective or binding unless assented to in writing signed by an authorized representative of the Seller referring to this Section 1 and waiving its entire application.
- 2. Prices & Shipments.** All prices are FOB carrier at Puritan Magnetics, Inc.'s shipping point. Buyer is responsible for all costs of transport and insurance. Prices do not include any goods or services, setup, startup, and/or installation, safety equipment, signage, technical data or documentation, proprietary rights of any kind, qualifications, testing or process performance that are not specifically stated in any Puritan Magnetics, Inc. document. Prices are valid for 90 days from the date of any Puritan Magnetics, Inc quote unless otherwise stated.
- 3. Changes & Cancellation.** If Buyer requests changes to the Product(s) after Puritan Magnetics, Inc.'s acceptance of Buyer's purchase order, Puritan Magnetics, Inc. will issue a revised Puritan Magnetics, Inc. Document specifying any changes in price or time of delivery associated with the requested change. The proposed change shall not become effective unless and until Buyer issues a purchase order in the event it (a)cancels any order or portion thereof or (b) fails to meet any obligation thus causing cancellation.
- 4. Installation, Maintenance & Operation.** Buyer is solely responsible for installation, operation and maintenance of the Product(s).
- 5. Delivery.** Estimates of delivery or completion dates are approximate and are based upon prompt receipt of all necessary information and ready access to equipment upon which work is to be performed. The Seller shall not be liable for delays in performance due to (1) causes beyond its reasonable control, or (2) Act of God, acts of the Customer, acts of evil or military authority, priorities, fires, strikes, lockouts, work slow-downs or labor unrest (whether of Seller's employees or others), floods, epidemics, quarantine restrictions, war, riot, delays in transportation or car shortages or (3) inability to obtain suitable labor, materials, components, or manufacturing facilities or (4) other commercial impracticability. In the event of such delay, the date of completion shall be extended for a period equal to the time lost by reason of the delay. Prior to returning any materials, shipping instructions must be obtained from the Seller.
- 6. Credit & Payment Terms.** Unless other terms of payment are specified in any Puritan Magnetics, Inc. Document: (a) for orders over \$20,000, Buyer shall pay Puritan Magnetics, Inc. 30% of the total purchase price when submitting a purchase order to Puritan Magnetics, Inc., and 40% of the purchase price prior to shipping with the balance due net 30 days with approved credit after shipment from Puritan Magnetics, Inc.'s facility; and (b) for all other orders, payment shall be made in full within 30 days from the date of the shipment from Puritan Magnetics, Inc.'s facility. Buyer shall make all payments in full without any deduction for any claim or setoff or recoupment. The payment terms stated in any Puritan Magnetics, Inc. Document are conditioned upon approval of Buyer's credit and may be withdrawn or amended at any time by Puritan Magnetics, Inc. at its discretion if (a) Buyer does not maintain a satisfactory credit rating or (b) if Buyer does not maintain its account with Puritan Magnetics, Inc. in good standing. Puritan Magnetics, Inc. reserves the right to change these credit terms, refuse shipment or cancel unfilled orders at any time when the financial condition of Buyer fails to meet the requirements of a satisfactory credit rating or when the previous payment record of Buyer to Puritan Magnetics, Inc. reasonably warrants such action. If delivery dates are delayed by Buyer for reasons within its reasonable control, payments are nevertheless due when Puritan Magnetics, Inc. is prepared to make delivery according to the delivery schedule. Payment is not contingent upon installation, use or operation of any Product(s). No cash discounts for early payment will be granted. Buyer shall be delinquent if payment is not remitted according to the applicable terms. Interest shall accrue on delinquent invoices at the rate of 1.5% per month, subject to federal, state and local laws, on the amount of the unpaid balance from the original due date of the invoice. In the event Puritan Magnetics, Inc. refers delinquencies to an attorney or an agent for collection, Buyer shall pay all costs of collection, including reasonable attorney's fees. Should Buyer become delinquent in the payment of any sum, all contractual obligations of Puritan Magnetics, Inc. to Buyer shall terminate. Notwithstanding the foregoing, if Buyer wishes to dispute an amount which has been invoiced by Puritan Magnetics, Inc., it will nonetheless make payment on the due date to Puritan Magnetics, Inc.'s lawyers who shall hold such amounts in dispute. If it is determined that the invoiced amount was excessive, any payment by Buyer in excess of the amount Puritan Magnetics, Inc. is entitled to, will be refunded to Buyer with interest at the rate which would be payable by Buyer to Puritan Magnetics, Inc. under the invoice, calculated from the date such excess amount was paid until repaid to Buyer.
- 7. Security Interest.** Puritan Magnetics, Inc. retains a security interest in the Product(s) to secure any portion of the purchase price not paid. These terms and conditions constitute a written security agreement provided by Buyer to Puritan Magnetics, Inc. covering all Product(s) sold by Puritan Magnetics, Inc. to Buyer. Puritan Magnetics, Inc. may record a Uniform Commercial Code Financing Statement evidencing this security interest. Puritan Magnetics, Inc. has all rights and remedies accorded by law or equity to a secured seller, including the right to enter upon the premises where the Product(s) shall be located for purposes of removing or rendering them inoperative, and all such rights and remedies shall be cumulative. Buyer shall maintain insurance against all risks to cover full replacement value of the Product(s) until Puritan Magnetics, Inc. has been paid in full.
- 8. Product Acceptance.** All Product(s) will be deemed accepted by Buyer if Buyer does not provide Puritan Magnetics, Inc. with a written notice of rejection within 5 days of the date for delivery to Buyer, which notice shall specify in detail any reasons for rejection.

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9. Warranty. The Seller warrants the quality of service performed and the title to and quality of material furnished hereunder. If any portion of the service performed or material furnished by the Seller proves to be defective within one year from the date of completion of the work, the Seller, if notified within five (5) business days from the time the defect came to the Customer's knowledge (failure to do so consulting a definitive waiver of Customer's rights under this Section 2), will correct such defect at its own expense by, at its option, repair or installation or replacement of the defective part or parts. The foregoing warranty is exclusive and in lieu of all other warranties, expressed or implied. Unless expressly stated in the description of the work, the Seller does not warrant the merchantability of the equipment as repaired, inspected, maintained or modified, or its fitness or suitability for any specific application or use, nor shall the Seller be liable for any loss or damage whatsoever from its failure to discover or repair latent defects or defects inherent in the design of the equipment. The Seller's liability under this warranty shall in no case exceed the total contract price including the supplying of any necessary replacement parts, and shall in no event include special, indirect, or consequential damages. Upon the completion of said one year all such liability shall terminate. The foregoing shall constitute the sole remedy of the Customer and the sole liability of the Seller. The Seller is not responsible for damage to material due to improper installation or to attempt to operate the parts beyond their rated capacity. Claims for defective material or workmanship must be verified by an authorized representative of the Seller. Puritan Magnetics, Inc. reserves the right to inspect warranty claims against defective equipment at their manufacturing facility. Defective equipment under warranty will be repaired or replaced at the discretion of Puritan Magnetics. Manufacturer's warranties for components used in the manufacture of Puritan Magnetics, Inc.'s products will carry the warranty of the original manufacturer. In the event of a suspected warranty claim, please contact Puritan Magnetics, Inc.'s Customer Service at 1-800-787-3624 (USA or Canada), or 1-248-628-3808 or via email at magnet@puritanmagnetics.com for instructions and authorization to return goods. Please include Model No., Serial No., and Purchase Order Number.

10. Limitation of Liability. So long as the equipment remains in the possession or on the premises of the Seller, Seller shall not be responsible for any damage or loss to the equipment, including without limitation, damage or loss resulting from theft, fire or accident, whether before or after delivery or completion date. If the equipment is lost, destroyed, damaged or confiscated, the Customer will not be released from the obligations hereunder, including its obligation to pay any amount due and owing. In addition, in such event, the Customer shall be and remain liable to pay to Seller the value of any services provided at the time of such event and the value of any materials incorporated in the equipment or purchased by the Seller therefore.

11. Exclusive Remedies. The remedies provided herein are Buyer's sole and exclusive remedies. In no case, whether as a result of breach of contract breach of warranty or tort (including Puritan Magnetics, Inc.'s or purchaser's negligence or strict Liability) shall Puritan Magnetics, Inc. be liable for any consequential or incidental damages incurred by purchaser or third party, including, but not limited to: loss of sales, profit, revenue or good will; loss of use of goods or any associated equipment or material; cost of capital; cost of substitute products, facilities or services; downtime costs; attorney's fees; or losses or claims of liability, damages or expenses (including attorney's fees) due to property damage, personal injuries or death, to strict liability of purchaser, employees, agents or contactors.

12. Intellectual Property. Puritan Magnetics, Inc. is not liable to Buyer for any claims or damages of Buyer relating in any manner whatsoever to any infringement of any patent, copyright, trademark, trade secret, or any proprietary right of any third party. Buyer shall indemnify and hold Puritan Magnetics, Inc. harmless against any and all such claims or damages rising out of Buyer's use of the Product(s).

13. Tooling. Charge for dies, tools, and/or gauges do not convey ownership or the right to remove from Seller's factory. Tool charges shown on the invoice constitute only a part of the actual tool cost. The Seller assumes the remainder of the original cost and the cost of maintenance. The Customer, however, may purchase such dies and/or gauges upon request at the discretion of the Seller.

14. Sales & Similar Taxes. The Seller's charges, unless otherwise stated, do not include sales, use, excise or similar taxes. Consequently, in addition to the charges specified herein, the amount of any present or future sales, use, excise or other similar taxes applicable to the sale, repair, inspection, maintenance, modification or use of the equipment hereunder shall be paid by the Customer, or in lieu thereof the Customer shall provide the Seller with a tax exemption certificate acceptable to the taxing authorities.

15. Miscellaneous.

a. **Applicable Laws.** This contract shall be construed in accordance with the laws of the State of Michigan, U.S.A. Force Majeure. Neither party shall not be responsible for any failure to perform the contract formed hereunder due to causes beyond its control, including, but not limited to, acts of God, labor disputes or shortages, acts of government or judicial action, or inability or delay in securing parts or components, provided that such inability or delay is not a result of any action or inaction on the part of Puritan Magnetics, Inc. all whether foreseen or unforeseen.

b. **Assignment.** None of the rights, duties or obligations defined herein may be assigned, transferred or delegated without the prior written consent of the other party, and such consent shall not be unreasonably withheld.

c. **Non-waiver.** Neither party's failure to exercise any of its rights for any period shall not constitute or be deemed a waiver or forfeiture of such rights.

d. **Modification/Controlling Terms of Contract.** Any modification of these terms and conditions must be expressly agreed to in writing by authorized representatives of the parties. The applicable Puritan Magnetics, Inc. Document supersedes all previous written or oral commitments, and specifically defines the Product(s) to be delivered and constitutes the complete agreement between Puritan Magnetics, Inc. and Buyer.