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Cage Gear & Machine, LLC

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Cage Gear & Machine, LLC Terms and Conditions of Sale

Quotation Pricing, Terms and Order Acceptance Quotation pricing and terms are valid for a period of thirty (30) days. After which, Cage Gear & Machine, LLC reserves the right to adjust or withdraw the proposal. Typographical errors in quotations are subject to correction. Prices are based on the Seller's understanding of the Buyer's requirements. If there are changes in the scope of supply, or the understanding of the scope of supply, for orders received based on our quotation, we reserve the right to adjust shipment schedules and pricing, upward or downward, if warranted. All forthcoming orders are subject to acceptance by Cage Gear & Machine, LLC based on circumstances and the capacity of our factory at the time of order placement. These terms and conditions shall apply and govern the Buyer's Purchase Order. In the event of inconsistencies between these terms and the Buyer's order, these terms and conditions will prevail. We object to the inclusion of any additional or different terms by the Buyer in its acceptance of our quotation and if different terms are included as a condition of acceptance, those terms must be expressly agreed to, in writing, by Cage Gear & Machine, LLC. Otherwise, these terms and conditions will prevail.

Deliveries and Shipping Schedules Lead times cited in our quotations are accurate based on our work loads at the time of our quotations. Upon order acceptance, we will advise the Buyer if the quoted delivery is no longer valid. Throughout the life of the order, every reasonable effort will be made to maintain the delivery schedule promised. In the event that Cage Gear & Machine, LLC cannot maintain the schedule, the Buyer will be advised as early as possible. The Seller accepts no financial liability for delayed shipments and will not accept penalties, consequential damages or cancellations for any reason unless expressly agreed to in writing by the Seller. In the event that the Buyer delays an order, the Seller reserves the right to adjust the pricing or delivery based on conditions prevailing at the time of manufacture and shipment. "Held" orders will be subject to charges for storage as well as any other expenses we incur as a result of the delay. "Held" orders will be stored at Buyer's Risk. If the Buyer cancels an order, the Buyer will accept cancellation charges for material and efforts supplied by the Seller up to that point in time.

Payment Terms and Credit Approval To a Buyer with a good credit rating, our terms are 2% 10, Net 30 days after the date of the invoice. Shipments shall, at times, be subject to approval of the Buyer's Credit. In the event that the Seller has doubt about the Buyer's ability to pay, the Seller reserves the right to decline making shipment except upon receipt of satisfactory security or cash before shipment. The Seller reserves the right to assess a 1% per month, or a minimum \$10, whichever is greater, late payment charge, on invoices over 30 days.

Warranties and Guarantees All shipments are FOB our plant unless otherwise agreed to in writing. Title to goods sold and the risk of loss passes to the Buyer upon transfer of such goods to a carrier contracted to convey the goods. In general, Cage Gear & Machine, LLC guarantees only all workmanship and materials supplied to a customer to be defect free for a period of 365 days. Cage Gear & Machine, LLC does not accept design responsibility for any of the products or services we provide. The Seller will only duplicate a customer supplied drawing or sample. When repairing a gear of refurbishing a gearbox, our quotation will provide our suggestions on how to produce the item. The issuance of a Purchase Order by the Buyer, signifies acceptance of design responsibility, as the Buyer's own. At our discretion, Cage Gear & Machine, LLC will repair or replace any item that is proven to be discrepant and the company is notified within 365 days of the shipment. For gearboxes, the units must be operated within ranges specified by the original equipment manufacturer. We will not be responsible for repairs to equipment supplied by us by other parties unless we specifically

authorize the same in writing. On Purchased Auxiliaries, we will pass through the vendor's warranty to us and under no circumstances will we be liable for claims in excess of the amounts refunded to Cage Gear & Machine, LLC by the provider of the equipment as a result of the defective claim. We will not assume responsibility for damage attributable to improper handling or storage of equipment after shipment. We will not be responsible for any damages whatsoever attributable to late delivery or loss of use by the Buyer. Where the Buyer provides material, where Cage Gear & Machine, LLC is contracted to perform one or more processing operations, all work is done on a "Best Effort" basis. Work on Buyer's material is done at Buyer's risk and the Seller will not be responsible in any way for spoilage or mis-machining of such material. Where the Buyer provides material and it proves to be discrepant during manufacturing operations, the Buyer will reimburse the Seller for all expenses incurred by the Seller up to the point that the defects were discovered. Lastly, under no circumstances will the liability to Cage Gear & Machine, LLC exceed the contract value of the equipment supplied.

Rejections Buyer's claim of a right of rejection for incorrect or defective products must be received in writing within 90 days of the original shipment date. The Seller then has the right to re-inspect the material at the Buyer's facility before allowing or rejecting the Buyer's claim. No material may be returned to us without first receiving written instructions for us. We will pay freight for products being returned to our facility only if the Buyer follows our shipping instructions. Defects, which do not impair satisfactory performance of the part, may not constitute basis for rejection by the Buyer.

Special Tooling and Fixtures Charges made for hobs, tooling, fixtures and other equipment needed for manufacture, are partial usage charges and do not convey ownership or the right to remove them from our premises. Reasonable care will be taken with tooling supplied by the Buyer, for use on their parts, however Cage Gear & Machine, LLC will not be liable for spoilage of the tooling due to normal wear and tear or defects inherent in the tooling itself.

Patents In the event that the products described herein are used by the Buyer in a manner causing unauthorized patent infringement, the Buyer shall hold harmless and indemnify Cage Gear & Machine, LLC as to any and all damages and costs for which Cage Gear & Machine, LLC may be alleged liable as a result of being charged with contributing to or inducing said infringement. The Buyer further agrees that it will not induce the Seller to use any United States Patented processes, drawings, or confidential specifications belonging to another third party.

Taxes In addition to any price specified herein, the Buyer shall pay any present and future sales, use, excise, value-added or any other similar tax applicable to the price for the sale and delivery of goods and services provided by the Seller, or the Buyer shall furnish the Seller with a tax exemption certificate acceptable to the taxing authorities.

Governing Law The Laws of the State of Ohio will govern the rights and contracts entered into by the Seller and the parties it deals with.

Exclusive Contract Terms Cage Gear & Machine, LLC and the Buyer agree that these terms and conditions are meant to be the final expression of our agreement. The terms of this offer supercede all prior agreements between the parties. This contract shall not hereafter be subject to any change, modification or rescission without the express written consent of Cage Gear & Machine, LLC.

Revision 2 (03/30/2016)