



**GARLAN CHAIN COMPANY, INC.**  
417 JOHN DIETSCH BLVD., NORTH ATTLEBORO, MA 02763  
Phone: (508) 316-3881 Fax: (508) 316-3986

## TERMS AND CONDITIONS OF SALE

### 1. Agreements of Sale.

Garlan Chain (also referred to with the terms "we", "us" and "our") agrees to sell goods to the Buyer (also referred to with the terms "you" and "your") identified on the purchase order, but only on the terms and conditions as stated herewith (the purchase order together with these Terms and Conditions are referred to collectively as the "Agreement").

GARLAN CHAIN WILL FILL YOUR ORDER BASED ON THE TERMS AND CONDITIONS AS STATED IN THIS DOCUMENT. WE WILL NOT AGREE TO DIFFERENT OR ADDITIONAL TERMS (AS MAY ACCOMPANY YOUR PURCHASE ORDER OR OTHER DOCUMENTS) UNLESS WE SPECIFICALLY ACCEPT SUCH TERMS IN WRITING. IF WE ARE NOT NOTIFIED IN WRITING PRIOR TO SHIPMENT OF ORDER THAT THESE TERMS AND CONDITIONS ARE NOT ACCEPTED, YOUR AGREEMENT TO THESE TERMS SHALL BE PRESUMED.

No waiver or modification of any of the provisions hereof shall bind us unless it is accepted in writing by an executive officer of Garlan Chain.

### 2. Prices.

Garlan Chain reserves the right to increase the prices in this Agreement after written notice to Buyer. The increased price will become effective 30 days after written notification to Buyer and will govern this Agreement unless we receive written notice, before the increased price becomes effective, of your cancellation of this Agreement as it applies to any goods to which the increased price would apply.

### 3. Taxes.

Garlan Chain may increase the prices in this Agreement without prior notice to cover any existing or future manufacturer's, sales, use, excise or similar taxes that Garlan Chain may be required to pay or collect with respect to the goods sold under this Agreement or with respect to any labor, tooling or materials used in their production.

### 4. Payments.

If Garlan Chain extends credit to the Buyer: (a) Buyer must pay for goods received within 30 days after being invoiced (or in accordance with any terms that may differ based on mutual written agreement of differing payment terms), and (b) invoices not paid within 30 days shall bear interest, at our option, at 18% per year from date of invoice. Garlan Chain may revoke credit if Buyer fails to pay for goods shipped in a timely manner, or if, in our sole judgment, we determine that your financial condition has undergone an adverse change. The decision to extend credit is at the sole discretion of Garlan Chain. Garlan Chain may require Buyer to pay for goods prior to their manufacture or shipment if we elect not to extend credit. The value of terms credit may be changed at any time. If Buyer asks for, and is granted, a delay of shipment, Garlan Chain may issue Buyer an invoice, and payment will be due 30 days after initial ship date.

### 5. Collection Costs.

Buyer is expected to pay all invoices for the goods in full and according to this Agreement. If Buyer fails to pay in accordance with this Agreement, Garlan Chain may engage attorneys and other agents to assist in collection of the amounts owed. Buyer is responsible for the incremental costs paid or incurred in pursuing and collecting sums owed by Buyer (including costs for attorney and collection agency fees and their expenses) in addition to the value of goods and interest as provided in paragraph 4 and shall promptly reimburse Garlan Chain for all such costs.

### 6. Shipments.

This Agreement is a shipment contract. Garlan Chain will arrange for the transportation of the goods to you from our manufacturing facility in Attleboro, Massachusetts (our "Plant"). Unless otherwise stated on the front of this Agreement, all goods are considered "Ex works" Garlan Chain's shipping dock. Buyer will pay on demand all transportation charges incurred in loading and shipment, less any freight allowance. Risk of loss of the goods passes to the Buyer as soon as the goods are deposited with the carrier.

### 7. Excused Nonperformance.

Garlan Chain is not responsible for failure to make delivery, delays, or any other deviations in our performance directly or indirectly due to causes beyond our reasonable control. Excused nonperformance includes but is not limited to: fires; floods; accidents; labor or transportation problems; difficulty in obtaining fuel, materials, supplies or power at current prices and quantities through our regular sources of supply; engineering; technical or design difficulties; and the impact on the conduct of our business of any existing or future legislation or governmental orders, rules or regulations. If any such contingencies occur, we may allocate production and deliveries among our customers. If we determine through our normal accounting procedures that our performance of this Agreement will result in a loss due to causes beyond our control that could not have been reasonably anticipated, we may delay, limit or cancel our obligation to deliver the goods.

### 8. Delivery Terms.

Garlan Chain agrees to ship only on the following terms:

- (a) Installments. We may ship goods in installments and invoice them separately. Buyer will pay for each installment as invoiced without regard to other shipments. Buyer's failure to pay each invoice when due substantially impairs the value of this entire Agreement and shall excuse Garlan Chain from making further shipments.
- (b) Orders Considered Complete. Line items are considered shipped complete if the shipped quantity is within +/- 10% of the ordered quantity.
- (c) Damaged Goods. If goods arrive in broken or damaged condition, Buyer must follow the directions as stated in the Garlan Chain Return of Goods Guidelines. If the goods are delivered in damaged packaging, Buyer must refuse delivery until the transportation agent notes the damage on the freight bill.

### 9. Return of Goods Guidelines.

- (a) Buyer must request a return of goods prior to returning any goods. The Buyer must reference an invoice number or an order number when making a request to return goods and provide a full explanation for the requested return.
- (b) The goods to be returned must match the goods on the referenced order or they will not be accepted. Partial returns should state that the quantity being returned is the non-conforming quantity of the amount received on the order.
- (c) Buyer must contact Garlan Chain's Customer Service Department for a Return Material Authorization (RMA) and the returned goods must reference the RMA number in the accompanying paperwork and on the front of the package containing the returned goods. Packages received without an RMA number cannot be processed and will be returned to the Buyer freight collect.
- (d) Garlan Chain will apply full credit to goods returned within 30 days for the following reasons:
  - Defective material (quality)
  - Over shipments for product shipped in excess of 10% of the quantity ordered
  - Incorrect product supplied (wrong item)
- (e) For authorized returns of items not meeting the criteria under "(d)":
  - Returned within 30 days of invoice date: full credit less restocking fee

### 10. Warranties.

Buyer shall inspect the goods immediately following their arrival and shall, within 30 days of such arrival, notify Garlan Chain promptly in writing of any claim that the goods do not conform to the terms of this Agreement. Buyer assumes all risks and liabilities for the results obtained in Buyer's manufacturing, fabrication or assembly processes by use of the goods or by use of the goods in combination with other machinery, equipment, materials or substances. Because Garlan Chain has no control over Buyer's use of the goods, Garlan Chain cannot make any performance warranties whatsoever.

GARLAN CHAIN DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WE MAKE NO WARRANTIES REGARDING THE GOODS. BUYER MAY NOT RELY UPON ANY REPRESENTATION OR OTHER ASSERTION REGARDING THE NATURE OR QUALITY OF THE GOODS, BUYER MUST RELY SOLELY UPON BUYER'S OWN EXAMINATION AND TESTING OF THE GOODS.

This warranty may not be assigned or transferred without Garlan Chain's prior written consent.

### 11. Remedies.

Buyer remedies are exclusively those stated in paragraph 10.

- (a) General. If Buyer claims that goods are broken or damaged or do not conform to Buyer's order ("nonconforming goods"), Buyer shall give Garlan Chain ample opportunity to inspect such goods, or, at Garlan Chain's request, furnish Garlan Chain with a sample of such goods. Buyer's remedies for Garlan Chain's breach of any term or condition of this Agreement shall be limited to either (i) the repair or replacement of any nonconforming goods, or (ii) the refund of the net invoice price Buyer paid for any nonconforming goods, at Garlan Chain's option.
- (b) Limitation of Liability. Under no circumstances does Garlan Chain have any other or further liability or obligation, whether for breach of warranty or for any other claim.

UNDER NO CIRCUMSTANCES WILL GARLAN CHAIN BE RESPONSIBLE TO BUYER FOR THE COST OF ANY WORK BUYER DOES WITH OR ON THE GOODS, NOR FOR COSTS OR EXPENSES OF BUYER'S TESTING OR INSPECTION OF THE GOODS OR PROCESSING BUYER'S OWN PRODUCTS, NOR FOR BUYER'S LOST PROFITS, INJURY TO GOODWILL OR ANY OTHER SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. NO CLAIM OF ANY KIND, WHETHER AS TO GOODS DELIVERED OR FOR GOODS NOT DELIVERED, SHALL BE RECOVERABLE IN ANY AMOUNT EXCEEDING THE NET INVOICE PRICE BUYER PAID FOR THE GOODS IN RESPECT OF WHICH THE CLAIMS WERE MADE.

### 12. Cancellation.

Buyer may not cancel any order or terminate Buyer's obligation to accept and pay for goods under this Agreement, in whole or in part, without Garlan Chain's prior written consent. If Garlan Chain consents to any cancellation, Buyer shall be liable to Garlan Chain for: (a) the full invoice price of goods manufactured before cancellation; (b) as to goods not completed at the time of cancellation, charges for engineering and manufacturing costs, overhead expenses and any reasonable profit, plus the cost of raw materials that may not be returned to the supplier for full credit or, if such materials have not been shipped, Garlan Chain's purchase of which may not be cancelled; and (c) all costs of packaging and shipment, plus a handling charge.

### 13. Applicable Law.

This Agreement is to be performed in Massachusetts and shall be construed and enforced in accordance with the laws of the State of Massachusetts, without regard to any such laws as would require reliance on the laws of any other jurisdiction.

### 14. Amendments and Changes.

No course of dealing, promise, representation, usage of trade, or conduct shall modify or change this Agreement or bind Garlan Chain. Any change must be accepted in writing by one of Garlan Chain's executive officers. In the event of any conflict between these Terms and Conditions and a purchase order, these Terms and Conditions shall prevail.

### 15. No Performance Warranties.

Buyer must ensure that Buyer uses Garlan Chain's goods in a safe manner. Buyer is solely responsible for using Garlan Chain products for their intended use. GARLAN CHAIN ASSUMES NO RESPONSIBILITY FOR BUYER'S USE OF GARLAN CHAIN'S PRODUCTS