



# SUPREME GEAR CO.

Specializing  
In Precision  
Gears

17430 MALYN BLVD • FRASER, MICHIGAN 48026 • TELEPHONE (586) 294-7625 • FAX (586) 294-7648

## Supreme Gear Company General Terms and Conditions

### 1. DEFINITIONS

a) **SELLER:** As used in this QUOTATION and or SALES ORDER, means Supreme Gear Company; Dorris Company; or any of its subsidiaries or divisions.

b) **FURNISH COMPLETE:** SELLER will furnish parts, gears, drives or speed reducers, machinery or apparatus complete, including material, with all the machining, cutting, heat treat, and/or assembly operations being performed in accordance with specifications stated herein or on drawings.

c) **MACHINING AND/OR CUTTING ONLY AND/OR CHEMICAL PROCESSING - HEAT TREAT ONLY AND/OR GEAR GRIND ONLY:** Buyer furnishes to Seller material (raw, stock, etc.) and/or machined blanks (castings, forgings, work-in-process, etc.) ready for the operations as specified herein only.

### 2. ACCEPTANCE, GOVERNING PROVISIONS, AND CANCELLATION

No orders for products or services of Seller shall be binding upon the Seller unless accepted in writing by an authorized official at its Corporate Office. Any such order shall be subject to these terms and conditions of sale and acceptance of an order by the Seller shall be expressly conditioned on assent to such terms and conditions. No modifications to these terms and conditions or other conditions will be recognized by Seller unless specifically agreed to in writing and failure of Seller to object to provisions contained in any purchase order or other communications from a Buyer shall not be construed as a waiver of these conditions nor an acceptance of any such provisions. Receipt of Purchase Order from Buyer for products and services contained herein represents acceptance of these terms and conditions. Any contract for sale and these conditions and terms shall be governed by and construed according to the laws of the State of MICHIGAN. **Supreme Gear considers the pricing, conditions, supplier-generated technical data, and assumptions pertaining to this quote as Supreme Gear Company Proprietary and Competition Sensitive. Please restrict disclosure of this information to personnel within your organization on a need-to-know basis.**

**No order accepted by Seller may be altered or modified by the Buyer unless agreed to in writing by the Seller; and no such order may be canceled or terminated at any time after receipt of such order unless approved in writing by Seller with approved cancellation fee. Order(s) placed by Buyer before 3:00pm ET are considered received the same business day. Order(s) placed by Buyer after 3:00pm ET are considered received the next business day.**

### 3. DELIVERY / SCHEDULE

Unless noted elsewhere, Standard Lead Time is 38 - 52 weeks. Lead Time offered with quotes are based upon best information available at that time and are subject to change. Delivery shall be F.O.B. Seller's plant. Delivery of products to a carrier at Seller's plant or other shipping point shall constitute delivery to Buyer and title shall pass at that time, regardless of freight payment. All risks of loss or damage in transit shall be borne by Buyer. Delivery promises are based on Seller's best efforts and judgment and Seller will attempt to fill orders at the agreed time. However, Seller shall not be liable for any damage claimed to result from any delay

in delivery due to any cause whatsoever. Delivery times do not include business holidays.

**a) EXPEDITED DELIVERY:** Standard EXPEDITED DELIVERY is available for fee of 35% of the value of the expedited order. Standard Expedited Delivery will typically reduce quoted delivery lead time by 25%. Expedited Fees are due upon receipt of confirmation by Seller to request of expedite service. Actual charges for Expedite Fee and Delivery Schedule will be confirmed by Seller upon completion of review of expedite request. All Expedited Deliveries are on a "best effort" basis and will not negatively impact Sellers delivery rating with Buyer.

#### **4. TERMS OF PAYMENT**

All invoices, to Buyers with approved credit, are due and payable net FIFTEEN (NET15) days from date of invoice, IAW FAR-DFARS Prompt Payment Act for Small Business. Delays in transportation shall not extend terms of payment. Any / All Set-up fees, Non-Recurring Engineering (NRE) charges, universal or program-specific tooling charges or assessments, or other non-recurring services or consulting fees, shall be invoiced at time of order and payable upon receipt or NET15 with approved credit. Seller reserves the right to collect payment in part or in full as a condition of acceptance of an order from Buyer. Should the Buyer's financial responsibility become unsatisfactory to the Seller, cash payment or satisfactory security may be demanded by the Seller and in default of such cash payment or satisfactory security, deliveries herein may be discontinued at the option of the Seller and a charge rendered covering the value of any partially finished articles that are being manufactured on this order or contract. Seller retains all other remedies it may have as a result of Buyer's unsatisfactory financial responsibility.

#### **5. TAXES AND OTHER CHARGES**

Any manufacturer's tax, retailer's occupation tax, use tax, sales tax, excise tax, duty, custom, inspection or testing fee, or any other tax, fee or charge of any nature whatsoever, imposed by any governmental authority, on or measured by any transaction between Seller and the Buyer, shall be paid by the Buyer in addition to the prices quoted or invoiced.

#### **6. WARRANTY**

Seller's products are not warranted or recommended for any specific customer application. It is the Buyer's responsibility to calculate and determine the proper gear selection, horsepower ratings and safety factors for any specific application. Seller warrants its products to be free from defects in materials and workmanship for a period of two years from date of shipment by Seller. Regarding Dorris Company, please visit [www.Dorrisco.com](http://www.Dorrisco.com) for specific warranty conditions supported by Dorris Company products. If within such period, any such product shall be proved to Seller's satisfaction to be so defective, such products shall be repaired or replaced at Seller's option. Seller's obligation upon such warranty shall be limited to such repair and replacement and shall be conditioned upon Seller's receiving written notice of any alleged defect within 10 days after its discovery, but not more than two years after receipt, and at Seller's option, return of such products or parts to Seller F.O.B. its factory. This warranty shall not apply to products or parts not manufactured by Seller or to products or parts which shall have been repaired or altered by others than Seller so as, in its judgment, adversely to affect the same, or which shall have been subject to negligence, accident, damaged by circumstances beyond Seller's control, or improper operation, maintenance or storage or to other than normal use of service. With respect to products and parts not manufactured by Seller, the warranty obligations of Seller shall in all respects conform and be limited to the warranty actually extended to Seller by the supplier. **THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES WHATSOEVER, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** Seller shall not be subject to any other obligations or liabilities whatsoever with respect to products or any undertakings, acts or omissions relating thereto. "The standards of AGMA will be

used, where applicable, in the manufacture of gears, unless an express agreement to the contrary is reached between Buyer and Seller." For any condition or circumstance of liability of Seller, whereby satisfaction of liability does not involve Seller option of product repair or replacement, the liability of Seller under this warranty or for any loss or damage to the goods whether the claim is based on contract or negligence, shall not in any case exceed the purchase price of the goods and upon the expiration of the warranty period all such liability shall terminate. The foregoing shall constitute the exclusive remedy of Buyer and the exclusive liability of the Seller. The terms of this warranty do not in any way extend to any product or part thereof covered which a) has a life, under normal usage, inherently shorter than the (time period) indicated above; b) is deemed perishable by Seller, c) was not manufactured by Seller or an affiliate of Seller, or d) is manufactured by Seller to Buyer's design. This warranty shall be void, and Seller shall not be liable for any breach of warranty, if the product or parts covered shall have been prepared or altered by persons other than Seller, unless expressly authorized by Seller in writing. THE FOREGOING WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HERETO. ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY DISCLAIMED BY SELLER AND ARE EXCLUDED FROM THIS AGREEMENT. SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY BREACH OF WARRANTY.

Seller guarantee(s) that all goods and every part and ingredient thereof sold to Buyer are produced in accordance with the Fair Labor Standards Act of 1938 and all amendments thereto.

#### **7. CLAIMS**

Expenses incurred in connection with claims for which the Seller is not liable may be charged to the buyer. No claim for correction will be allowed except for work done with the written consent of the Seller. Defects that do not impair service shall not be a cause for rejection. The Seller shall not be liable under any circumstances, and anything to the contrary herein contained notwithstanding, for any direct, indirect consequential, contingent, or incidental damages whatsoever arising from or resulting from the failure or improper functioning of any of its products. Claims for shortages or other errors must be made in writing to Seller within 10 days after receipt of shipment and failure to give such notice shall constitute unqualified acceptance and waiver of all such claims by purchaser. The Buyer will defend, at his own expense, and hold Seller harmless against any suit that may be brought against Seller by reason of the manufacture or sale of parts made to the Buyer's specifications. No claim will be allowed for material mutilated by the Buyer or damaged in transit. Where the Buyer furnishes the material, and it proves defective or involves expense not contemplated by the contract, the Seller will invoice all expenses involved. When work of any kind is performed by Seller on material supplied by the Buyer, Seller shall not be liable for any cost of the material or other damages in event of spoilage or rejection for whatsoever cause or reason. The Seller shall not be liable for loss of patterns, tooling, or merchandise by reason of circumstances beyond Seller's control.

#### **8. ALTERATIONS**

No alterations in specifications, either for total quantity, delivery, mechanical, chemical, or other details may be made without written consent of an authorized official of Seller and readjustment of price.

#### **9. PRICING POLICY**

Prices quoted are for acceptance within 30 days. Prices are based on running the full quantity for shipment at one time and to one destination unless otherwise agreed to in writing.

#### **10. ERRORS AND VARIANCES**

All clerical errors in Seller's quotations, acknowledgments and invoices are subject

to correction.

**11. OVERRUNS -- UNDERRUNS**

All quotations are based on customer accepting overruns or under runs, not exceeding 10% of quantity ordered, to be paid for or allowed pro rata.

**12. PACKING**

All prices listed provide for packing in accordance with the Company standard specifications.

**13. DEVELOPMENT, DRAWING, PATTERN AND/OR TOOL CHARGES**

Development, drawing, pattern and/or tool charges quoted in a proposal represent the Buyer's proportionate cost thereof and it is expressly understood that such drawings, patterns, and/or tools remain the property of the Seller, unless otherwise agreed in writing.

**14. PATENTS, PROPRIETARY INFORMATION, ETC.**

Seller will have no responsibility whatsoever with respect to patent infringement if the infringing products shall have been made to the specifications of the Buyer or a third party or if such alleged infringement shall consist of the use of Seller's products for purposes other than those for which the same shall have been sold by Seller. Buyer shall indemnify Seller against all claims arising out of alleged infringement of patents, designs, copyrights, or trademarks with respect to any goods manufactured to Buyer's specifications. Seller considers all pricing, conditions, Supplier-generated technical data and processes, as well as business, program, and staff assumptions to be proprietary and competition sensitive. Strict disclosure compliance required: Release of this information internal to Buyer shall be explicitly on a need-to-know basis. Prior approval from Seller required for any disclosure outside Buyer's internal organization. Supplier prohibits employee poaching or employment interference of employees and contractors.

**15. SAMPLES SUPPLIED BY BUYER**

These terms apply when drawings are not available and Seller is producing new product(s) from dimensions taken from original or Master gear(s). Seller will make the best attempt to determine the approximate original specifications and or properties of the original product. Seller has no way of determining what the exact original material and or specifications were or what the exact original manufacturing and or heat treating processes were. It is the responsibility of the Buyer to notify Seller in writing of dimensions and or tolerances that are critical to the Buyer's intended use of the product(s).

**16. ADDITIONAL COSTS**

Prices quoted by Seller are based on Seller's best attempt to estimate all costs needed to produce products that are made to order from customer's specifications or samples. However, from time to time, an unforeseen need for special tooling and/or processes may be required in order to manufacture made-to-order products that conform to the customer's specifications or samples. In the event of this occurrence, Seller reserves the right to charge the customer in addition to the originally quoted price, for any additional costs incurred in order to conform to the customer's specifications or samples. Furthermore, Seller shall not be liable for any damage or costs claimed to result from any delay in delivery due to any cause whatsoever. Some customers may require additional electronic and / or physical protections of data supplied to Seller or by Seller IAW customer specifications or requirements. Additional charges may result from these increased protections and will be added as a separate line item on quotation or at time of Seller invoicing.

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